



BANK INDONESIA

No. 9 / 24 /DPbS

Jakarta, October 30, 2007

CIRCULAR LETTER

To

ALL COMMERCIAL BANKS

BASED ON SHARIA PRINCIPLES IN INDONESIA

Subject : The Rating System for Commercial Banks Based on Sharia Principles

Following the enactment of Bank Indonesia Regulation No. 9/1/PBI/2007 dated January 24, 2007 regarding The Rating System For Commercial Banks Based On Sharia Principles (State Gazette of the Republic of Indonesia Number 31 of 2007, Supplement to the State Gazette of the Republic of Indonesia Number 4699), it is necessary to stipulate the implementation in a Bank Indonesia Circulation Letter with following principal provisions:

I. GENERAL PROVISION

1. The increase in the types of Sharia Banking products and services has influence the business complexity and the bank risk profile based on Sharia Principles. In order to make sharia bank can manage the bank risk effectively, methodology of rating system meeting international standards is needed. The rating system for sharia bank is in interest of related parties including Bank Indonesia. For a sharia bank, the result of the rating system may be applied as an instrument for management to make decision for the bank future management policy. For Bank Indonesia, the result of the rating system may be applied by the supervisor in applying the right supervisory strategy in the coming years.
2. The calculation of the rating system has taken into account inherent risk in the bank activities.
3. The rating system is a result of qualitative assessment in various aspects that

affect...

affect bank condition or performance by conducting assessment on financial and managerial factors.

4. The financial factor assessment is conducted by giving weight to the factor rating of the capital, asset quality, earnings, liquidity and sensitivity of the market risk.
5. Assessment on capital factor, asset quality, earnings, liquidity and sensitivity of the market risk is conducted by using quantitative and qualitative assessment and judgement.
6. Ratios that applied to calculate the ranking factor for capital, asset quality, earnings, liquidity and sensitivity of the market risk are classified into key ratio, supporting ratio and observed ratio. The key ratio is ratio that has a high impact on the rating system, while the supporting ratio is ratio that has directly influence on the key ratio, and observed ratio is additional ratio that used in analysis and judgment.
7. Assessment on the management factor is conducted by using qualitative assessment for each aspect of the general management, risk management and compliance management. The result of management factor assessment consists of:
 - a. result of the general management factor assessment reflecting the good corporate governance application in the bank;
 - b. result of the risk management factor assessment reflecting the risk management, including risk control system (RCS) for inherent risk in each bank activities;
 - c. result of the compliance management factor reflecting the implementation of provisions, which are in accordance to the prudential principle and Sharia Principles in a bank.

Those management factors are assessed by conducted through analysis by considering supporting indicators and judgment elements.

8. The Composite ranking Assessment is conducted by the aggregation on the Financial Factor Ranking and the managerial factor ranking by using the

conversion table and considering the supporting indicators and judgement elements. In conducting judgment considering materiality aspect and significance of the respective assessment factors.

II. COVERAGE OF THE RATING SYSTEM

The Bank Rating assessment include assessment on factors consisting of:

1. Capital

Capital assessment is intended to evaluate the bank capital adequacy to secure position risk exposure and to anticipate risk exposure, that may arise.

Quantitative assessment of capital factor is conducted by assessment on the following components:

- a. Sufficiency in meeting the Capital Adequacy Ratio (CAR), is the key ratio;
- b. Core capital ability and Allowances for Possible Losses (PPAP) in securing write-off risk, is a supporting ratio;
- c. Core capital ability to cover losses at the time of liquidation, is a supporting ratio;
- d. CAR trend /growth, is a supporting ratio;
- e. A bank internal capability to add capital, is a supporting ratio;
- f. Intensity of the agency function of a sharia bank, is an observed ratio;
- g. Core capital compared to a mudharabah fund, is an observed ratio;
- h. Dividend Pay Out Ratio, is an observed ratio;
- i. Access to capital sources (external support), is an observed ratio;
- j. Financial performance of shareholders to increase the bank capital, is an observed ratio.

2. Asset quality

Asset quality assessment is intended to evaluate the bank asset condition, including anticipation on risk of non-payment from financing (credit risk) that may arise.

Quantitative...

Quantitative assessment of the asset quality factor is conducted by assesment the following components:

- a. A bank productive asset quality, is the key ratio;
- b. Risk of concentrating fund distribution to main debtors, is a supporting ratio;
- c. Fund disbursement quality to main debtors, is a supporting ratio;
- d. A bank ability to handle / to recover write-off assets, is a supporting ratio;
- e. The amount of non performing financing, is a supporting ratio;
- f. Collateral Adequacy Level, is an observed ratio;
- g. Projection/growth of productive assets quality, is an observed ratio;
- h. Growth/trend of restructured trouble productive assets, is an observed ratio.

3. Earnings

Earnings assessment is intended to evaluate a bank capability to generate profit.

Earnings factor quantitative assessment is conducted by assess the following components:

- a. Net operating margin (NOM), is a key ratio;
- b. Return on assets (ROA), is a supporting ratio;
- c. Operational efficiency ratio (REO), is a supporting ratio;
- d. Income generating assets ratio, is a supporting ratio;
- e. Income diversification, is a supporting ratio;
- f. Projection of Net Revenue (PPBO), is a supporting ratio;
- g. Net structural operating margin, is an observed ratio;
- h. Return on equity (ROE), is an observed ratio;
- i. Fund placement composition in securities/money market, is an observed ratio;
- j. Disparity between the highest and lowest compensation, is an observed ratio;
- k. The implementation of education function, is an observed ratio;

- l. The implementation of social function, is an observed ratio;
- m. The correlation between the interest rate in the market and the return provided by a sharia bank, is an observed ratio;
- n. Investment fund ratio, is an observed ratio;
- o. Writen-off funds distribution compared to operational expense, is an observed ratio;

4. Liquidity

Liquidity assessment is intended to evaluate the bank capability to maintain an adequate liquidity level, including anticipation on liquidity risk that may arise. Liquidity factor quantitative assessment is conducted by assess the following components:

- a. The amount of the short term asset compared to the short term liability, is a key ratio;
- b. Capability of short term asset, cash, and secondary reserve to cover short term liability, is a supporting ratio;
- c. Dependency on main deposit fund, is a supporting ratio;
- d. Growth of main deposit fund to the total fund of third parties, is a supporting ratio;
- e. The bank capability in obtaining funds from other parties in the case of mismatch, is an observed ratio;
- f. Dependency on inter bank fund, is an observed ratio;

5. Sensitivity to market risk

Sensitivity to market risk assessment is intended to evaluate the bank financial capability to anticipate market risk changes due to fluctuation in exchange rate.

Sensitivity assessment to market risk is conducted by assess the excessive amount of capital to cover a bank risk compared to the loss risk amount arising from the effect of market risk changes.

6. Management

Management assessment is intended to evaluate the managerial capability of a

bank...

bank management in conducting business, adequacy of risk management and bank compliance to regulation that related to prudential principles and also compliance to Sharia Principles and bank commitment to Bank Indonesia.

The management factor qualitative assessment is conducted by assess the following components:

- a. General management quality related to good corporate governance;
- b. Quality of risk management implementation;
- c. Compliance to regulation related to prudential principles and also compliance to Sharia Principles and commitment to Bank Indonesia.

III. PROCEDURE TO ASSESS THE RATING SYSTEM FOR COMMERCIAL BANKS BASED ON SHARIA PRINCIPLES

Assessment of the rating system for commercial banks based on sharia principles is conducted as follows:

1. Ranking assessment and / or stipulation of each ratio / component referred in number II are conducted quantitatively for financial ratio referring to **Attachment 1a, Attachment 1b, Attachment 1c, Attachment 1d, and Attachment 1e**. Whereas management component is conducted qualitatively referring to **Attachment 1f**.
2. Ranking stipulation on each factors of capital, asset quality, earnings and liquidity are conducted by referring to Factor Rating Stipulating Criteria Matrix as stated in **Attachment 2a, Attachment 2b, Attachment 2c, Attachment 2d, and Attachment 2e** by considering supporting indicators and / or relevant judgment including observed ratio based on materiality aspect and significance of each components;
3. The Financial Factor Rating Stipulation is conducted by giving weight on factor rating of capital, asset quality, earnings, liquidity and sensitivity on market risk referring to **Attachment 3**.
4. The Management Factor Rating Stipulation is conducted by analysis and considering supporting indicators and relevant comparative judgment referring

to the Management Factor Rating Stipulating Criteria Matrix in **Attachment**

5. The Composite Rating Stipulating is conducted by aggregation to Financial Factor Rating and Management Factor Rating using the conversion table by considering supporting indicator and judgment element by referring to the Composite Rating Stipulating Criteria Matrix in **Attachment 5**.

The conversation table for Composite Rating calculation is as follows:

Manajemen	A	5A	4A	3A	2A	1A	1
	B	5B	4B	3B	2B	1B	2
	C	5C	4C	3C	2C	1C	3
	D	5D	4D	3D	2D	1D	4
		5	4	3	2	1	5
Financial (CAELS)							

Table

Notes:

- PK 1 = 1A, 1B
 PK 2 = 1C, 2A, 2B
 PK 3 = 1D, 2C, 2D, 3A, 3B, 3C
 PK 4 = 3D, 4A, 4B, 4C, 4D
 PK 5 = 5A, 5B, 5C, 5D

6. In conducting the rating stipulation process referred above, a Bank must use working paper as described in **Attachment 6** of this Bank Indonesia Circulation Letter.

IV. ASSESMENT RESULT

Based on the assessment result of the each factors, the Composite Rating is stipulated. The Composite Rating is stipulated as follows:

1. Composite Rating 1, shows that a Bank and UUS are assessed as very good and able to overcome the negative effect of economic condition and financial industry;

2. Composite...

2. Composite Rating 2, shows that a Bank and UUS are assessed as good and able to overcome negative economic conditions and financial industry but the Bank and UUS still has minor weaknesses which can be overcome by routine actions;
3. Composite Rating 3, shows that a Bank and UUS are assessed as quite good but there are still some weaknesses which may detrimentally affect the composite rating if the Bank and UUS does not immediately conduct corrective actions;
4. Composite Rating 4, shows that a Bank and UUS are assessed as not good and sensitive to negative effect of the economic conditions and financial industry or the bank and UUS have serious financial weaknesses or combination of several factor conditions which are not satisfying, that can be detrimental if no effective action are taken and may endanger the business continuity;
5. Composite Rating 5, shows that a Bank and UUS are assessed as very sensitive to the negative economic condition influences, the financial industry, and experience difficulties endangering the business continuity.

V. CLOSING

This Bank Indonesia Circulation Letter shall come into force since October 30, 2007. For the public to be informed, it is ordered that this Bank Indonesia Circulation Letter be promulgated in the State Gazette of the Republic of Indonesia.

Kindly be informed accordingly.

BANK INDONESIA,

Signed

SITI CH. FADJRIJAH

DEPUTY GOVERNOR

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CALCULATION / ANALYSIS OF CAPITAL FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
1	Sufficiency in meeting the Capital Adequacy Ratio (CAR) (Key Ratio)	$KPM = \frac{M_{\text{tier1}} + M_{\text{tier2}} + M_{\text{tier3}} - \text{Placement}}{ATMR}$ <ul style="list-style-type: none"> Capital calculation and Assets Weighted Risk are based on Bank Indonesia regulation regarding Commercial Bank Minimum Capital Adequacy Ratio based on sharia principles. Ratio is calculated at evaluation date 	<p>Objective: To measure bank capital adequacy to overcome losses and compliance to CAR regulations.</p> <p>Rating evaluation criteria:</p> <ul style="list-style-type: none"> Rating 1 $KPM \geq 12\%$ Rating 2 $9\% \leq KPM < 12\%$ Rating 3 $8\% \leq KPM < 9\%$ Rating 4 $6\% < KPM < 8\%$ Rating 5 $KPM \leq 6\%$

CALCULATION / ANALYSIS OF CAPITAL FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
2	Core capital ability and Allowances for Possible Losses (PPAP) in securing write-off risk (Supporting Ratio)	$ECR = \frac{M_{\text{tier1}} + PPAP}{APYD - \text{Collateral}}$ <ul style="list-style-type: none"> Tier 1 Capital calculation is based on Bank Indonesia regulation regarding Commercial Bank Minimum Capital Adequacy Ratio based on syariah principles. Classified Productive Assets are productive assets that are no longer or potential not yielding income or generate losses of which its magnitude is determined as follows: <ol style="list-style-type: none"> (1) 25% of the productive assets categorized as Special Mention (2) 50% of the productive assets categorized as Sub Standard (3) 75% of the productive assets categorized as Doubtful (4) 100% of the productive asset categorized as Loss Ratio is calculated based on the position at evaluation date 	<p>Objective: To measure the bank capital capability to absorb risk in case of write off to trouble assets</p> <p>Rating evaluation criteria:</p> <ul style="list-style-type: none"> Rating 1: $ECR \geq 4$ Rating 2 $3 \leq ECR < 4$ Rating 3 $2 \leq ECR < 3$ Rating 4 $1 \leq ECR < 2$ Rating 5 $ECR < 1$

CALCULATION / ANALYSIS OF CAPITAL FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
3	Core capital ability to cover losses at the time of liquidation (Supporting Ratio)	$EDR = \frac{M_{tier1}}{DPKg}$ <ul style="list-style-type: none"> Tier 1 Capital calculation is based on Bank Indonesia regulation regarding Commercial Bank Minimum Capital Adequacy Ratio based on syariah principles. DPKg = Third Party Funds guaranteed by a bank is the entire third party funds, after deducted by amount guaranteed by Deposit Security Institution (LPS) and profit sharing funds Ratio is calculated based on the position on the evaluations date 	<p><u>Objective:</u></p> <p>To measure core capital capacity to cover third party funds in case of liquidation.</p>
			<p><u>Rating evaluation criteria:</u></p> <ul style="list-style-type: none"> Rating 1 EDR* +0.4 ≤ EDR Rating 2 EDR* +0.2 ≤ EDR < EDR* +0.4 Rating 3 EDR* ≤ EDR < EDR* +0.2 Rating 4 EDR* -0.2 ≤ EDR < EDR* Rating 5 EDR* -0.2 > EDR

CALCULATION / ANALYSIS OF CAPITAL FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
4	EDR on liquidation	$\text{EDR}^* = 1 - (\alpha D^{\text{all}} / D^{\text{ng}}) - \alpha (\text{EDR})$ <ul style="list-style-type: none"> EDR* is EDR at liquidation α is constant recovery rate of industry based on experience at liquidation. Presently stipulated at 30% (referring to the BPPN recovery rate data) D^{all} is total of third party funds D^{ng} is Third Party Funds profit sharing and funds not secured by LPS 	<u>Objective:</u> Applied as parameter to stipulate EDR ranking

CALCULATION / ANALYSIS OF CAPITAL FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
5	CAR trend /growth (Supporting Ratio)	$\% \Delta \text{KPMM} = \frac{\text{KPMM}_{T+1}}{\text{KPMM}_T}$ <ul style="list-style-type: none"> Capital growth projection data and ATMR next quarter using trend analysis. Open for input in case of a significant enough capital addition. Ratio is calculated at evaluation date position 	<p><u>Objective:</u></p> <p>To identify whether the bank is operating within the acceptable risk taking capacity in order business expansion that indicated in the ATMR growth is supported by adequate capital growth.</p>
			<p><u>Rating evaluation criteria:</u></p> <ul style="list-style-type: none"> Rating 1 $\% \Delta \text{KPMM} \geq 1.2$ Rating 2 $1.1 \leq \% \Delta \text{KPMM} < 1.2$ Rating 3 $1 \leq \% \Delta \text{KPMM} < 1.1$ Rating 4 $0.9 \leq \% \Delta \text{KPMM} < 1$ Rating 5 $\% \Delta \text{KPMM} \leq < 0.9$

CALCULATION / ANALYSIS OF CAPITAL FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
6	A bank internal capability to add capital (Supporting Ratio)	$IS = \frac{RR}{\% \Delta ATMR_{T+1}}$ <ul style="list-style-type: none"> RR stands for Retention Rate obtained from the calculation of retained profit ratio in the Retained Profit Ratio formula. ATMR % growth data uses ATMR growth expectation next 1 (one) period (next 1 quarter) based on trend analysis (linear regression) and or bank business. Ratio is calculated based on the position on the evaluations date 	<p><u>Objective:</u></p> <p>To measure capital growth from the bank internally to cover increasing risk that may occur.</p>
			<p><u>Rating evaluation criteria:</u></p> <ul style="list-style-type: none"> Rating 1: $IS \geq 1.1$ Rating 2 $1 \leq IS < 1.1$ Rating 3 $0.9 \leq IS < 1$ Rating 4 $0.8 \leq IS < 0.9$ Rating 5 $IS < 0.8$

CALCULATION / ANALYSIS OF CAPITAL FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
7	Retained Profit Ratio (Retention Rate)	$RR = \frac{\text{Net Income} - \text{Dividend}}{M_{\text{tier1}}}$ <ul style="list-style-type: none"> Net income data is the accumulated Profit and Loss data during the last 12 months deducted by taxes payable. Dividend data uses the last 12 months dividend data Data of capital that used is the tier 1 core capital data. The average capital calculation is as follows: Example: For the month of June position: is the sum of capital as of January up to June divided by 6. RR Ratio use to calculate Internal Support ratio 	<p>Objective: To measure capability to add capital attributed to the bank internal sources</p>

CALCULATION / ANALYSIS OF CAPITAL FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
8	Intensity of the agency function of a sharia bank (Observed ratio)	$AR = \frac{DPK_{ps}}{DPK_{Total}}$ <ul style="list-style-type: none"> • DPK_{ps} or Third Party Funds profit sharing are funds based on <i>mudharabah</i> agreement with profit sharing method • DPK_{Total} is total third party funds • Ratio is calculated based on the position on the evaluations date 	<p>Objective: To measure the capacity of the bank syariah agency function . The higher AR the smaller the systemic cost at the time of liquidation. If the liquidation systemic cost decreases, the need of financial safety net will decline.</p>

CALCULATION / ANALYSIS OF CAPITAL FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
9	Core capital compared to a mudharabah fund (Observed ratio)	$FP = \frac{M_{\text{tier1}}}{DPK_{PS}}$ <ul style="list-style-type: none"> • DPK_{PS} or third party profit sharing funds are funds based on akad "<i>mudharabah</i>" with profit sharing method. • Tier 1 Capital calculation is based on Bank Indonesia regulation regarding Commercial Bank Minimum Capital Adequacy Ratio based on syariah principles. • Ratio is calculated based on the position on the evaluation date 	Objective : To measure the size of bank capital participation compared to profit sharing funds

CALCULATION / ANALYSIS OF CAPITAL FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
10	Dividend Pay Out Ratio (Observed ratio)	$\text{DPOR} = \frac{\text{Dividend}}{\text{Profit after tax}}$ <ul style="list-style-type: none"> Dividend is dividend that paid out to shareholders and reduce the amount of Bank capital Ratio is calculated based on the position on the evaluation date 	Objective: To monitor the bank capability to distribute dividends to the shareholders.

CALCULATION / ANALYSIS OF CAPITAL FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
11	Access to capital sources (external support) (Observed ratio)	$\text{EPS} = \frac{\text{Profit after tax}}{\text{Number of shares}}$ <ul style="list-style-type: none"> Dividend is dividend that paid out to shareholders and reduce the amount of Bank capital Ratio is calculated based on the position on the evaluations date 	Objective: To measure bank capability to enhance existing shareholders participation, to attract investors as shareholders and access to the capital market
		Subscription level (Initial Public Offering or private placement) <ul style="list-style-type: none"> Oversubscribed or under subscribed 	
		Bank or bank securities rating Example of rating institutions are among others Pefindo, Standard & Poor's, Moody's, and Fitch	

CALCULATION / ANALYSIS OF CAPITAL FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
12	Financial performance of shareholders to increase the bank capital	Shareholder rating * Rating of corporate shareholder, if any	
	(Observed ratio)	Shareholder track record: <ul style="list-style-type: none"> Shareholder track record in order to fulfill bank commitment to Bank Indonesia to add capital, it is obtained from the analysis of the capital increase compared to written commitment submitted to Bank Indonesia 	

CALCULATION / ANALYSIS OF ASSET QUALITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
1	A bank productive asset quality (KAP) (Key ratio)	$KAP = \left[1 - \frac{APYD (DPK, KL, D, M)}{\text{Productive Assets}} \right]$ <ul style="list-style-type: none"> • AYDA = Classified Productive Assets are productive assets that are no longer or is potential not yielding income or generate losses which is determined as follows: <ol style="list-style-type: none"> (1) 25% of the productive assets categorized as Special mention (2) 50% of the productive assets categorized as sub standard (3) 75% of the productive assets categorized as Doubtful (4) 100% of the productive asset categorized as Loss • Calculation is based on Bank Indonesia regulation regarding Asset Quality Assessment, applicable to sharia bank • Coverage of Productive Asset Components is subject to Bank Indonesia regulation regarding Asset Quality Assessment for syariah bank. • Ratio is calculated based on the position on the evaluation date 	<p>Objective: To evaluate sharia bank <i>productive</i> asset quality. The higher ratio the better the quality of syariah bank productive assets</p>
			<p>Rating evaluation criteria:</p> <ul style="list-style-type: none"> • Rating 1 KAP > 0.99 • Rating 2 0.96 < KAP ≤ 0.99 • Rating 3 0.93 < KAP ratio ≤ 0.96 • Rating 4 0.90 < KAP ratio ≤ 0.93 • Rating 5 KAP ≤ 0.90

CALCULATION / ANALYSIS OF ASSET QUALITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
2	<p>Risk of concentrating fund distribution to main debtors (KRDI)</p> <p>(Supporting ratio)</p>	$KRDI = \frac{\text{Financing to main debtor}}{\text{Total financing}}$ <ul style="list-style-type: none"> The main debtor data refers to the regulation of the Sharia Commercial Bank Periodical Report Ratio is calculated based on the position on the evaluations date 	<p>Objective: To measure core debtor risk level due to funds distribution concentration to core debtor</p> <p>Rating evaluation criteria:</p> <ul style="list-style-type: none"> Rating 1 $KRDI \leq 10\%$ Rating 2 $10\% < KRDI \leq 15\%$ Rating 3 $15\% < KRDI \leq 20\%$ Rating 4 $20\% < KRDI \leq 25\%$ Rating 5 $KRDI > 25\%$

CALCULATION / ANALYSIS OF ASSET QUALITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
3	Fund disbursement quality to main debtors (KAPi) (Supporting ratio)	$KAPi = \left[1 - \frac{APYD \text{ main debtor}}{AP \text{ main debtor}} \right]$ <ul style="list-style-type: none"> Classified Productive Assets (APYD) are productive assets that are no longer or is potential not yielding income or generate losses which are determined as follows: <ol style="list-style-type: none"> 25% of the productive assets categorized as Special Mention 50% of the productive assets categorized as Sub Standard 75% of the productive assets categorized as Doubtful 100% of the productive asset categorized as Loss The main debtor data refers to the regulation of the Sharia Commercial Bank Periodical Report Ratio is calculated based on the position of evaluation date 	<p>Objective: To measure quality of funds distribution to main debtors</p>
			<p>Rating evaluation criteria:</p> <ul style="list-style-type: none"> Rating 1 KAP > 0.99 Rating 2 0.96, KAP ≤ 0.99 Rating 3 0.93 < KAP ≤ 0.96 Rating 4 0.90 < KAP ≤ 0.93 Rating 5 KAP ≤ 0.90

CALCULATION / ANALYSIS OF ASSET QUALITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
4	A bank ability to handle / to recover write-off assets (Supporting ratio)	$ARR = \text{Average} \left[\frac{RV}{WO} \right] \times 100\%$ <ul style="list-style-type: none"> RV or Recovery Value is amount of each financing account successfully recollectd after written off WO or Write Off is the amount as per financing account already written off. Ratio is calculated based on the position on the evaluation date 	<p><u>Objective:</u></p> <p>To measure the bank capability to handle/ to recover write-off assets. The more capable bank in recovering write-off assets, the better.</p>
			<p><u>Rating evaluation criteria:</u></p> <ul style="list-style-type: none"> Rating 1 ARR>40% Rating 2 30%<ARR≤40% Rating 3 20%,ARR≤30% Rating 4 10%,ARR≤20% Rating 5 ARR≤10%

CALCULATION / ANALYSIS OF ASSET QUALITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
5	The amount of non performing financing (Supporting Ratio)	$NPF = \frac{\text{Financing (KL, D, M)}}{\text{Total funding}}$ <ul style="list-style-type: none"> The coverage of financing component and financing rating is subject to Bank Indonesia regulation regarding Assets Quality Rating for Commercial Banks Conducting Business Based on Sharia Principles. Ratio is calculated based on the position on the evaluation date 	<p>Objective: To measure the bank financing problem level. The higher this risk, the worst a syariah bank financing quality.</p> <p>Rating evaluation criteria:</p> <ul style="list-style-type: none"> Rating 1 $NPF < 2\%$ Rating 2 $2\% \leq NPF < 5\%$ Rating 3 $5\% \leq NPF < 8\%$ Rating 4 $8\% \leq NPF < 12\%$ Rating 5 $NPF \geq 12\%$

CALCULATION / ANALYSIS OF ASSET QUALITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
6	Collateral Adequacy Level (Observed Ratio)	$TKA = \frac{\text{COLLATERAL (KL,D,M)}}{\text{AP (KL,D,M)}}$ <ul style="list-style-type: none"> Amount and type of Collateral based on regulations regarding Assets Quality Rating for Commercial Banks Conducting Business Based on Sharia Principles. Ratio is calculated based on the position on the evaluations date 	<p>Objective:</p> <p>To measure risk that faced by bank due to loss from non performing financing that are not covered by collateral. The higher ratio the better. This ratio can also be used to measure the sharia bank capability to mitigate the existence of moral hazard by viable customer that at due time of payment does not have the intention to settle its obligation.</p>

CALCULATION / ANALYSIS OF ASSET QUALITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
7	Projection/growth of productive assets quality (PKAP) (Observed ratio)	$PKAP = \frac{APYD_{t+1} / AP_{t+1}}{APYD_1 / AP_1}$ <ul style="list-style-type: none"> Classified Productive Assets (APYD) are productive assets that are no longer or is potential not yielding income or generate losses which are determined as follows: <ul style="list-style-type: none"> a) 25% of the productive assets categorized as Special Mention b) 50% of the productive assets categorized as Sub Standard c) 75% of the productive assets categorized as Doubtful d) 100% of the productive asset categorized as Loss The coverage of financing component is subject to Bank Indonesia regulation regarding Assets Quality Rating for Commercial Banks Conducting Business Based on Sharia Principles Projection data $APYD_{t+1}$ and Productive AP_{t+1} asset projection data using the last 24 months trend data. Ratio is calculated based per position on the evaluation date 	<p>Objective :</p> <p>To measure possibility risk changes on assets owned by a sharia bank.</p> <p>To Understand about the impact or risk generated by productive asset growth</p>

CALCULATION / ANALYSIS OF ASSET QUALITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
8	Growth/trend of restructured trouble productive assets. (Observed ratio)	$RP = \frac{Rstrk_T / Pemb_T}{Rstrk_{T-1} / Pemb_{T-1}}$ <ul style="list-style-type: none"> Financing restructuring Growth Data is the amount of the restructured trouble financing. Ratio is calculated per position on the evaluation date 	<p>Objective: To measure bank activity effectiveness in implementing of restructured financing.</p> <p>The higher ratio indicates the lower quality of the decision making in the financing .</p>

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
1	Net Operating Margin (NOM) (Key Ratio)	$\text{NOM} = \frac{(\text{PO-DBH}) - \text{BO}}{\text{Average AP}}$ <ul style="list-style-type: none"> Operating Income is operating Income after distribution of profit sharing within the last 12 (twelve) months. Operating expense is operating expense including deficit in PPAP from the amount to be derived in compliance with BI regulatory in the last 12 (twelve) months. Calculation of productive assets average is the average productive assets within the last 12 (twelve) months. Ratio is calculated based on the position on the evaluations date 	<p>Objective: To understand of productive assets capability in generating profit</p>
			<p><u>Rating evaluation criteria:</u></p> <ul style="list-style-type: none"> Rating 1 NOM > 3% Rating 2 2% < NOM ≤ 3% Rating 3 1.5% < NOM ≤ 2% Rating 4 1% < NOM ≤ 1.5% Rating 5 NOM ≤ 1%

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
2	Return On Asset (Supporting Ratio)	$ROA = \frac{\text{Net Before Tax}}{\text{Average TA}}$ <ul style="list-style-type: none"> Profit calculation before tax aggregated in one year is as follows: Example: For the month of June position = (accumulated profit per June position divided by 6) x 12. Average total asset calculation is as follows: Example: For June position = aggregated total asset position for the month January up to June divided by 6. Ratio is calculated per position on the evaluation date 	<p><u>Objective:</u></p> <p>To measure management success in generating profit. The smaller ratio the lesser capability of a bank management to manage assets to improve income and or to suppress cost</p>
			<p><u>Rating evaluation criteria:</u></p> <ul style="list-style-type: none"> Rating 1 ROA>1.5% Rating 2 1.25%<ROA≤1.5% Rating 3 0.5%<ROA≤1.25% Rating 4 0%<ROA≤0.5% Rating 5 ROA≤0%

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
3	Operating efficiency ratio (REO) (Supporting ratio)	$REO = \frac{BO}{PO}$ <ul style="list-style-type: none"> Operating expense (BO) data used is operational expenses including deficit in PPAP. Operating income (PO) data used is operating income data after the distribution of profit sharing. Ratio is calculated per position on the evaluation date. 	<p><u>Objective:</u> To measure efficiency of bank sharia operational activity</p>
			<p><u>Rating evaluation criteria:</u></p> <ul style="list-style-type: none"> Rating 1 REO ≤ 83% Rating 2 83% < REO ≤ 85% Rating 3 85% < REO ≤ 87% Rating 4 87% < REO ≤ 89% * Rating 5 REO > 89%

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
4	Income generating assets ratio (IGA) (Supporting ratio)	$IGA = \frac{AP \text{ Current}}{TA}$ <ul style="list-style-type: none"> Coverage of Current Productive Asset is productive assets with current and special mention rating are subject to Bank Indonesia regulation regarding Assets Quality Rating for Commercial Banks Conducting Business Based on Sharia Principles. Ratio is calculated per position on the evaluation date 	<p><u>Objective:</u> To measure the total of Sharia bank assets that could generate / provide income.</p> <hr/> <p><u>Rating evaluation criteria:</u></p> <ul style="list-style-type: none"> Rating 1 IGA > 83.3. % Rating 2 80.75%, IGA ratio ≤ 83.3% Rating 3 78.2% < IGA ratio ≤ 80.75% Rating 4 75.65%, IGA ratio ≤ 78.2% Rating 5 IGA ≤ 75 .65%

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
5	Income diversification (DP) (Supporting Ratio)	$DP = \frac{\text{Fee based Income}}{\text{Income from funds distribution}}$ <ul style="list-style-type: none"> • Fee based income is fee obtained by a bank from banking services provided. • Income from funds distribution is income generated by funds distribution after deduction of profit sharing to the investor investing funds. • Income data obtained from the last 12 months. • Ratio is calculated per position on the evaluation date 	<p><u>Objective:</u> To measure a syariah bank capability to generate income from fee based services. The higher fee-based income the less the bank dependency on funds distribution</p> <p><u>Rating evaluation criteria:</u></p> <ul style="list-style-type: none"> • Rating 1 DP > 12% • Rating 2 9% < DP ≤ 12% • Rating 3 6% < DP ≤ 9% • Rating 4 3% < DP ≤ 6% • Rating 5 DP ≤ 3%

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
6	Projection of Net Revenue (PPBO) (Supporting ratio)	$\frac{((POu - DBH) - BOu)_{t+1} / \text{Average } AP_{t+1}}{((POu - DBH) - BOu)_t / \text{Average } AP_t}$ <ul style="list-style-type: none"> Data of growth revenue, profit sharing distribution, and operating expenses are trend data during 24 months. POu = operational revenue is accumulated income from a bank main activities during the last 12 months. Bank main activities income are among others income generated by <i>murabahah, istishna, ijarah, mudharabah, musyarakah</i> transactions / activities, inter bank placement in the form of savings and <i>mudharabah</i> deposit, transfer, bank guaranty, inkaso and L/C. DBH = accumulated profit sharing for investor of funds investment (excluding profit sharing for SIMA transaction) during the last 12 months. BOu = operational expenses accumulation of the bank main activities expenses during the last 12 months including deficit in PPAP. Bank main expenses are among others <i>ijarah</i>, premium, human resources, education and training, rent, campaign and PPAP expenses. 	<p><u>Objective:</u></p> <p>To understand capability of the productive asset to generate profit in the next period.</p>
			<p><u>Rating evaluation criteria:</u></p> <ul style="list-style-type: none"> Rating 1 PPO \geq 104% Rating 2 102% \leq PPO < 104% Rating 3 100% \leq PPO < 102% Rating 4 98% \leq PPO < 100% Rating 5 PPO < 98%

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
7	Net structural operating margin (NSOM) (Observed ratio)	$NSOM = \frac{(PO_u + DBH) - BO_u}{Average AP}$ <ul style="list-style-type: none"> Operational revenue is the accumulated income of the Bank main activities during the last 12 months. Bank main activity income among others are the income from the <i>murabahah</i>, <i>isyishna'</i>, <i>ijarah</i>, <i>mudharabah</i>, <i>musyarakah</i>, inter bank placement in the form of mudharabah saving and time deposit, transfer, bank guaranty, inkaso and L/C transactions / activities. Profit sharing distribution is the accumulation of profit sharing for investor of investment funds (not including SIMA production sharing) for the last 12 months period. 	<p>Objective: To measure net income from the main operation towards the entire funds allotment.</p>

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
		<ul style="list-style-type: none"> Operational expense is the accumulation of a bank main activities expenses during the last 12 months including deficit in PPAP. Bank main activities expenses among others consist of 'ijarah', premium, human resources, education and training, rent, campaign and PPAP expenses. Productive asset average calculation is the average of last 12 (twelve) months productive asset. Productive assets provisions refer to regulation regarding Assets Quality Rating for Commercial Banks Conducting Business Based on Sharia Principles. Ratio is calculated per position on the evaluation date 	

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
8	Return on Equity (Observed ratio)	$ROE = \frac{\text{Net profit after tax}}{\text{Average paid up capital}}$ <ul style="list-style-type: none"> The profit calculation after annual tax projection Example: For the month of June position = (accumulated profit per June position divided by 6) x 12. The average paid up capital calculation is as follows: Example: For the month of June position = accumulated paid up capital for the position January up to June divided by 6. The coverage of paid up capital include 'agio' and 'disagio' Ratio is calculated per position on the evaluation date 	<p>Objective: To measure Bank Capital paid up potentials to generate profit. The greater this ratio illustrate the more capable of a bank paid up capital to generate more profit for shareholders.</p>

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
9	Fund placement composition in securities/money market Observed ratio	$IdFR = \frac{SWBI + SB + Placement}{AP}$ <ul style="list-style-type: none"> • Securities consist securities to other banks and non bank • Placement includes placement to other banks. • Ratio is calculated per position on the evaluation date 	<p>Objective: To measure the amount of sharia bank funds in securities and money market. The higher ratio indicates that a syariah bank intermediation function is not optimum yet.</p>

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
10	Disparity between the highest and lowest compensation (Observed ratio)	Disparity of compensation = The highest compensation deducted by the lowest compensation	<u>Objective:</u> To measure the benefit gap given to the board / highest-level employee compared to the lowest level employee. A too high disparity creates a greater potential problem.

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
11	Public education function (Observed ratio)	$CSR = \frac{\text{Public Education cost}}{BO}$ <ul style="list-style-type: none"> Public education cost is reflected by promotion cost. Ratio is calculated per position on the evaluation date 	<p><u>Objective:</u></p> <p>To measure the magnitude of the corporate social responsibility (CSR) function to the society education process</p>

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
12	Social function (Observed ratio)	$\frac{\text{Allotment (Tithe and Virtuous funds)}}{\text{Core capital}}$ <p><i>Distribution (Zakah and Genevolence funds)</i></p> <p>Core capital is M_{tier1} as referred regulation regarding Minimum Capital Adequacy Ratio For Commercial Banks Based on Sharia Principle.</p>	<p><u>Objective:</u></p> <p>To measure the size of sharia bank social function. The higher this component the higher syariah bank social function is being implemented.</p>

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
13	The correlation between interest rate in the market and the return (profit sharing) given by a sharia bank (Observed ratio)	Return correlation $R \text{ corr} = \text{Corr}(r, i)$ = the correlation between a mudhabarah time deposit return level with a deposit interest rate <ul style="list-style-type: none"> • $\text{Corr}(r, i)$ is a correlation between 1 month mudhabarah time deposit return level to the 1 month time deposit interest rate. • R data is a 1 month mudharabah time deposit return level. • I data is a 1 month time deposit interest rate. • The higher the correlation between the interest rate with the return level provided by a sharia bank to their customer show syariah bank sensitivity towards interest rate fluctuations. • Ratio is calculated per position on the evaluation date 	Objective: To understand the correlation between the interest rate with the return level provided by sharia bank to their customer

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
14	Investment ratio (Observed ratio)	<p>Profit sharing account =</p> $\frac{\text{Distribution of profit sharing}}{\text{Average DPK profit sharing}}$ <ul style="list-style-type: none"> Profit sharing distribution data is the amount of profit sharing to the investor investing funds. Annual investment profit sharing funds distribution calculation. Example: For June position = (accumulated profit sharing distribution up to June / 6) x 12. The investment average calculation is as follows: Example: for the June position = accumulated total investment as of January up to June divided by 6 	<p>Objective: To understand the bank capability to manage invested funds to generate income</p>

CALCULATION / ANALYSIS OF EARNINGS FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
15	Written off funds distribution compared to operational expense (Observed ratio)	<p>Write off Expense (WOE) =</p> $\frac{\text{Write off expense}}{\text{Operational expense}}$ <ul style="list-style-type: none"> • Written Off Funds distribution data are written off debit balance during the last 12 months. • Operational expense data are operational expenses during the last 12 months 	<p>Objective:</p> <p>To measure the significant influence of write off decision to the bank operational efficiency.</p>

CALCULATION / ANALYSIS OF LIQUIDITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
1	The amount of the short term asset compared to the short term liability (Key Ratio)	$STM = \frac{\text{Short Term Asset}}{\text{Short Term Liability}}$ <ul style="list-style-type: none"> Short term assets are liquid assets that less than 3 months excluding cash, SWBI and Sharia Governemnet Securities (SBSN) in the maturity profile report as referred in the Sharia Commercial Bank Periodical Report. Short-term liabilities are liquid liability that less than 3 months in the maturity profile report as referred in the Sharia Commercial Bank Periodical Report. * Ratio is calculated per position on the evaluation date 	<p>Objective: To measure the bank capability to meet short term liquidity needs</p> <p>Rating evaluation criteria:</p> <ul style="list-style-type: none"> Rating 1 STM > 25% Rating 2 20% < STM ≤ 25% Rating 3 15% < STM ≤ 20% Rating 4 10% < STM ≤ 15% Rating 5 STM ≤ 10%

CALCULATION / ANALYSIS OF LIQUIDITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
2	Capability of short term asset, cash, and secondary reserve to cover short term liability (Short Term Mismatch Plus / STMP) (Supporting ratio)	$STMP = \frac{\text{Short Term Assets} + \text{Cash} + \text{Secondary Reserve}}{\text{Short Term Liability}}$ <ul style="list-style-type: none"> Short term assets are liquid assets that less than 3 months excluding cash, SWBI and Sharia Governemnet Securities (SBSN) in the maturity profile report as referred in the Sharia Commercial Bank Periodical Report Short-term liabilities are are liquid liability that less than 3 months in the maturity profile report as referred in the Sharia Commercial Bank Periodical Report. Cash is cash on hand. Secondary reserves are Certificate Wadiah Bank Indonesia (SWBI) plus Sharia Goverment Securities (SBSN). Ratio is calculated per position on the evaluation date 	<p><u>Objective:</u></p> <p>To measure the bank capability to meet short term liability need by utilizing short term assets, cash and secondary reserve</p>
			<p><u>Rating evaluation criteria:</u></p> <ul style="list-style-type: none"> Rating1 STMP \geq 50% Rating 2 40% \leq STMP < 50% Rating 3 30% \leq STMP < 40% Rating 4 20% \leq STMP < 30% Rating 5 STMP < 20%

CALCULATION / ANALYSIS OF LIQUIDITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
3	Dependency on main deposit fund Main Time Deposit Ratio (RDI) (Supporting Ratio)	$RDI = \frac{DPK_{main}}{DPK}$ <ul style="list-style-type: none"> Main Time Deposit data referred in the Sharia Commercial Bank Periodical Report. Ratio is calculated per position on the evaluation date 	<p>Objective:</p> <p>To measure dependency of sharia bank on funds from main time deposit or sharia bank funding concentration to main time deposit. The higher RDI ratio, the greater is the liquidity risk faced by a sharia bank</p>
			<p>Rating evaluation criteria:</p> <ul style="list-style-type: none"> Rating 1 RDI < 5% Rating 2 5% ≤ RDI < 10% Rating 3 10% ≤ RDI < 20% Rating 4 20% ≤ RDI < 30% Rating 5 RDI ≥ 30%

CALCULATION / ANALYSIS OF LIQUIDITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
4	Growth of main deposit fund to the total fund of third parties	$PRDI = \frac{DPK_{int / t+1er1} / DPK_{t+1}}{DPK_{int / t} / DPK_1}$	Objective: To measure dependency level of sharia bank on main time deposit
	Main Time Deposit Ratio Growth (Supporting Ratio)		Rating evaluation criteria: <ul style="list-style-type: none"> Rating 1 PRDI < 98% Rating 2 98% ≤ PRDI < 100% Rating 3 100% ≤ PRDI < 102% Rating 4 102% ≤ PRDI < 104% Rating 5 PRDI ≥ 104%

LIQUIDITY FACTOR COMPONENT CALCULATION / ANALYSIS MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
5	The bank capability in obtaining funds from other parties in the case of mismatch Ratio Contingency Plan (RCP) (Observed ratio)	$RCP = \frac{\text{Expected Liquidity Aid}}{DPK_{int} i + \text{Net Short Term Liability}}$ <ul style="list-style-type: none"> Expected Liquidity Aid data is a facility provided by other party that a sharia bank could use it any time. Main Time Deposit data referred in the Sharia Commercial Bank Periodical Report . Short time net liabilities are: short term liabilities – (short term assets + cash + secondary reserve, and if the result is negative, it is considered as 0 (zero)). Short term assets are liquid assets that less than 3 months excluding cash, SWBI and Sharia Governemnet Securities (SBSN) in the maturity profile report as referred in the Sharia Commercial Bank Periodical Report. Short-term liabilities are are liquid liability that less than 3 months in the maturity profile report as referred in the Sharia Commercial Bank Periodical Report. Cash is cash on hand. 	<p>Objective: To measure external funds adequacy in case of a short term mismatch occurs and funds withdrawal by the main time depositor</p>

LIQUIDITY FACTOR COMPONENT CALCULATION / ANALYSIS MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
		<ul style="list-style-type: none"> Secondary reserve is Bank Indonesia Wadiah Certificate (SWBI) plus Sharia Governemnet Securities (SBSN) Ratio is calculated per position on the evaluation date 	

LIQUIDITY FACTOR COMPONENT CALCULATION / ANALYSIS MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
6	<p>Dependency on inter bank fund</p> <p>Inter Bank Liabilities Ratio (RABP)</p> <p>(Observed ratio)</p>	$RABP = \frac{\text{Inter Bank Liabilities}}{\text{Total Liabilities}}$ <ul style="list-style-type: none"> • Inter Bank Liabilities are all of bank liabilities to other banks. • Total Liabilities consist of Third Party Funds, Inter Bank Liabilities, Financing received, and Securities issued as referred in the Sharia Commercial Bank Periodical Report. • Ratio is calculated per position on the evaluation date 	<p>Objective:</p> <p>To measure bank dependency on inter bank funds</p>

CALCULATION / ANALYSIS OF SENSITIVITY FACTOR COMPONENT MATRIX			
No	COMPONENT	FORMULA/RATIO	DESCRIPTION
1	Capital Adequacy to cover market risks (exchange rate fluctuation) (Key ratio)	$MR = \frac{\text{Capital excess}}{\text{Potential Loss of Exchange rate}}$ <ul style="list-style-type: none"> Capital excess is surplus in capital requirement to cover market risk caused by exchange rate fluctuation. Calculation on capital excess refers to regulation regarding minimum capital adequacy requirement for commercial banks based on sharia principles. Potential loss of Exchange rate is loss risk caused by exchange rate fluctuation contrary to a bank forecast (gap position from the foreign currency exposure banking book multiplied by foreign currency exchange rate fluctuation). Potential loss data are obtained from the bank historical data. Ratio is calculated per on the evaluation date 	<p><u>Objective:</u></p> <p>To measure bank capital capability to cover risk caused by exchange rate fluctuation</p>
			<p><u>Rating evaluation criteria:</u></p> <ul style="list-style-type: none"> Rating 1 $MR \geq 12\%$ Rating 2 $10\% \leq MR < 12\%$ Rating 3 $8\% \leq MR < 10\%$ Rating 4 $6\% \leq MR < 8\%$ Rating 5 $MR < 6\%$

A.1. GENERAL MANAGEMENT – MANAGEMENT FACTOR COMPONENT CALCULATION / ANALYSIS MATRIX

No.	Pillar	Aspect	Detail (BUS)
1	The Bank determined an effective governance structure & mechanism	a. The bank has an effective governance structure (conform with the characteristic, size and complexity, financial ability, as well as strategic goals of the bank) to carry out and accomplish strategic goals in line with the vision, mission and its function as a sharia bank, in accordance with prevailing laws and regulations.	<ol style="list-style-type: none"> 1. The Board of Commissioners consists of at least 3 (three) persons and should not exceed the number of the Board of Directors. 2. The Board of Directors consist of at least 3 (three) persons. 3. The Board of Directors has established an Internal Audit Working Unit (SKAI), a Risk Management Working Unit (SKMR), a Risk Management Committee, and a Compliance Working Unit. 4. The Audit Committee consist of at least one Independent Commissioner, one independent party with financial or accounting expertise, and one independent party with legal or banking expertise.. 5. The Audit Committee lead by an Independent Commissioner. 6. The majority of the Audit Committee consist of Independent Commissioners and independent parties. 7. The Risk Monitor Committee consist of at least one Independent Commissioner, one independent party with finance expertise, and one independent party with risk management expertise. 8. The Risk Monitor Committee lead by an Independent Commissioner. 9. The majority of the Risk Monitor Committee consist of Independent Commissioners and Independent parties. 10. The Remuneration and Nomination Committee consist of at least one Independent Commissioner, one Commissioner and one Executive Officer.

No.	Pillar	Aspect	Detail (BUS)
1			<p>11. The Remuneration and Nomination Committee lead by an Independent Commissioner.</p> <p>12. In case that the Remuneration and Nomination Committee consist of more than 3 (three) persons, it should have at least 2 (two) Independent Commissioners.</p> <p>13. A Compliance Working Unit is independent from the operational working unit.</p>
		<p>b. The Bank stipulates goals, duty, delegation of authority mechanism, and a clear standard operating procedures including the provision of satisfactory supporting facilities and adaptive towards policy changes and internal as well as external conditions. Included in stipulation of the delegation of authority mechanism and standard operating procedures is the DPS communication mechanism with the Compliance Director, SKAI and SKMR</p>	<p>1. The management settled on strategic policy and decision through the mechanism of Board of Directors meetings.</p> <p>2. Resolutions in a Board of Directors meeting shall be adopted based on deliberation for consensus or majority votes.</p> <p>3. The results of a Board of Directors meeting is documented in a minutes of meeting and should be properly documented, including dissenting opinions (if any).</p> <p>4. The management does not take any advantage and or receive any personal advantage from the Bank except the remuneration and other benefits stipulated in the Shareholders Meeting.</p> <p>5. There is a system and procedure to submit recommendation regarding the election and or replacement of members of the Board of Commissioner, Board of Directors and DPS to the Board of Commissioners.</p> <p>6. Committee meetings will be conducted subject to the need of the Bank.</p>

No.	Pillar	Aspect	Detail (BUS)
			<p>7. Audit Committee and Risk Monitor Committee meetings should be attended by minimum 51 % (fifty one percent) of the members including Independent Commissioners and Independent parties.</p> <p>8. Remuneration and Nomination Committee meetings should be attended by at least 51% (fifty one percent) of the members including Independent Commissioners and Executive Officer.</p> <p>9. Resolutions of committee meetings shall be adopted based on deliberation for consensus or majority votes.</p> <p>10. Committee minutes of meeting should be properly documented, including dissenting opinions (if any).</p> <p>11. The Compliance Working Unit is responsible for conformity of guidance, system and procedure of all Working Unit with the prevailing laws and regulations. The Board of Directors should agree to the Bank compliance policy in the form of formal document regarding effective compliance function.</p> <p>12. The Board of Directors is responsible to establish an effective and permanent compliance function as a part of the bank compliance policy as a whole.</p> <p>13 The Compliance Director periodically reports the implementation of his (her) duty to the President Directors and the Board of Commissioners (as copy carbon).</p> <p>14 The SKAI institution is independent from operational working units.</p>

No.	Pillar	Aspect	Detail (BUS)
			<p>15 The SKAI implement its function independently with sufficient coverage and in accordance with the inspection plan.</p> <p>16 The SKAI implement its duty by at least covering assessment on:</p> <ul style="list-style-type: none"> • Adequacy of Bank Internal Control System • Effectiveness of Bank Internal Control System • Performance Quality • Compliance toward syariah principles in connection with syariah banking operation <p>17 The SKAI has reported the whole audit findings including matters related to syariah aspect according to prevailing laws and regulations.</p> <p>18 The SKAI has periodically prepare and update the working guidance as well as system and procedure including for syariah audit purposes.</p> <p>19 Assignment of an Accountant Public and a Public Accountant Office (KAP) must have prior approval from the Shareholders General Meeting based on Audit Committee recommendation.</p> <p>20 A Bank Strategic Planning is prepared in the form of Corporate Plan and Business Plan in line with the bank's vision and mission</p> <p>21 The Corporate and Business Plan is prepared by the Board of Directors and approved by the Board of Commissioners.</p> <p>22 The Bank has a procedure and working mechanism that regulate the relationship between the DPS, SKAI, Compliance Directors and SKMR.</p> <p>23 The Bank provide satisfactory supporting facilities to support the duty of DPS effectively</p>

No.	Pillar	Aspect	Detail (BUS)
		<p>c. The member of the Board of Commissioner, Board of Director, DPS, The Committees, and Executive Officer implement their duty consistently in accordance with the stipulated authority, mechanism and standard operating procedures.</p>	<ol style="list-style-type: none"> 1. The Board of Directors is fully responsible for the bank management. 2. The Board of Directors manage the bank in line with their authority and responsibility as stipulated in the Articles of Association and prevailing laws and regulations. 3. The Board of Directors has been responsible for their duty to the shareholders through the General Meeting of Shareholders. 4. The Audit Committee conduct a review on the planning and audit implementation as well as monitor the follow up on audit result in line with satisfactory internal control including satisfactory financial report. 5. The Audit Committee provides recommendation an Accountant Public and Accountant Public Office (KAP) assignment to the General Meeting of Shareholders through the Board of Commissioners. 6. The Audit Committee conducts a review on the SKAI duty implementation, audit implementation compliance to prevailing audit standards, consistency of the financial report with valid accounting standard and follow-up implementation by the Board of Directors. 7. The Risk Monitoring Committee observed the policy evaluation and risk management implementation and Risk Management Committee duty to provide recommendation to the Board of Commissioners. 8. The Remuneration Committee has provided recommendation regarding remuneration policy to the General Meeting of Shareholders and Board of Directors through the Board of Commissioners. 9. Remuneration policies already consider financial performance,

No.	Pillar	Aspect	Detail (BUS)
			<p>individual work achievement, and harmony with peer group, and long-term goal of the bank.</p> <p>10. Recommendation on candidate member of the Board of Commissioners, Board of Directors and DPS to the General Meeting of Shareholders shall be through the Board of Commissioners.</p> <p>11. Recommendation on independent parties as committee member to the Board of Commissioner.</p> <p>12. A periodical external review (every three years) on the SKAI implementation and compliance to the Bank Internal Audit Function Control Unit (SPFAIB).</p> <p>13. The Bank assigns a Public Accountant and a Public Accountant Office (KAP) registered with Bank Indonesia and is competent to audit syariah banks.</p> <p>14. Audit assignment to an Accountant Public and a Public Accountant Office (KAP) should at least meet the following aspects:</p> <ul style="list-style-type: none"> • competency of the assigned Public Accountant Office; • legality of working agreement; • audit scope; • audit standard; and • communication of the intended Public Accountant Office with Bank Indonesia

No.	Pillar	Aspect	Detail (BUS)
		d. Every member of the Board of Commissioners, Board of Directors, DPS, The Committees and Executive Officer in a real form has and utilizes the control span and appropriate supporting infrastructure (including management information system) in accordance with their duty and authority	<ol style="list-style-type: none"> 1. The Bank compliance system has qualified resources to handle their task effectively. 2. The availability of internal reporting is supported by a reliable Management Information System (MIS) 3. The availability of appropriate information system supported by competent human resources. 4. The availability of appropriate security system.
		e. Every member of the Board of Commissioners, Board of Directors, DPS, The Committees, and Executive Officer posses appropriate qualification, properly maintained and acceptable to the stakeholders (among others employees, shareholders, and customers).	<ol style="list-style-type: none"> 1. At least 1 (one) member of the Board of Commissioners domiciled in Indonesia. 2. The majority of Commissioners consists of Independent Commissioners. 3. Changes and or nomination of a Commissioners must observe the recommendation from Nomination Committee or Remuneration and Nomination Committee. 4. A Commissioners should possess integrity, sufficient competency and reputation in finance, in accordance with the fit & proper test requirement. 5. A Commissioner may not hold concurrent occupation as a Commissioner, Director or Executive Officer with another bank in line with prevailing regulations.

No.	Pillar	Aspect	Detail (BUS)
			<ol style="list-style-type: none"> 6. All member of the Board of Directors should be domiciled in Indonesia. 7. Changes and or nomination of a Directors must observe the recommendation from Nomination Committee or Remuneration and Nomination Committee. 8. The majority of the members of Board of Directors should possess at least 2 (two) years experience in operational field as an Executive Officer of a sharia bank. 9. A Directors should possess integrity, sufficient competency and reputation in finance, in accordance with the fit and proper test requirements. 10. DPS members should possess integrity, sufficient competency and reputation in finance, in accordance with prevailing regulations. Competency among others can be measured through sharia opinion and consideration given by the DPS. 11. Members of the Audit Committee should possess integrity i.e. good character and moral. 12. Members of the Risk Monitoring Committee should possess integrity i.e. good character and moral.

No.	Pillar	Aspect	Detail (BUS)
		f. Every member of the Board of Commissioners, Board of Directors, DPS, and Executive Officer should be able to implement corporate culture value in a proper and consistent manner.	A member of the Board of Commissioners, Board of Directors, DPS, and Executive Officer should not violate the corporate culture value stipulated by the bank.
2	The Bank must have a mechanism to identify, prevent, and minimize the occurrences of conflict of interest	a. A member of the Board of Commissioners, Board of Directors, Executive Officer (including Branch Manager) having a conflict of interest should not be involved in decision making.	There is no member of the Board of Commissioners, Board of Directors and Executive Officer (including head of branch) who has a conflict of interest involved in the decision making.
		b. If a member of the Board of Commissioners, Board of Directors, Executive Officer (including Branch Manager) has a conflict of interest involved in the decision making, an appropriate disclosure of each resolution must be made.	The conflict of interest is disclosed in every minutes of meeting.

No.	Pillar	Aspect	Detail (BUS)
		<p>c. Resolutions taken by every member of the Board of Commissioners, Board of Directors, DPS, and Executive Officer indicating to have conflict of interest is a decision detrimental to a bank either financially or non-financial.</p>	<p>The bank has a clear rule regarding sanction and has the ability to implement aforesaid rules upon each violation related to conflict of interest.</p>
		<p>d. The Bank has and enforce internal policy regarding:</p> <ul style="list-style-type: none"> (i) regulation of conflict of interest binding to every executive and employee of the bank; and (ii) administration notes, documentation and disclosure of the conflict of interest mentioned in the minutes of meeting. 	<p>The bank has a clear rule regarding sanction and has the ability to implement aforesaid rules upon each violation related to conflict of interest.</p>

No.	Pillar	Aspect	Detail (BUS)
3	Members of the Board of Commissioners, Board of Directors, DPS, and Executive Officer have the capability to act independently and minimize every possibility that may lessen professionalism in the decision making.	a. In the assessment period there is no related parties among the member of Board of Directors, Board of Commissioners, shareholders and DPS, and relationship between a Board of Directors and Board of Commissioners with the implementation of a bank business (among others through procurement service & other professional services)	<ol style="list-style-type: none"> 1. The majority of a Board of Commissioners is not related up to the second layer with other members of the Board of Commissioners and Board of Directors. 2. The President Director is an independent party towards the controlling shareholders. 3. The majority of the members of a Board of Directors are not related up to the second layer to another member of a Board of Directors and / or member of a Board of Commissioners 4. The board of Commissioners and the Board of Directors must be independent from related parties and or certain major debtor. 5. A member of Board of Directors, Board of Commissioners and DPS both individually or collectively do not own more than 25% (twenty five percent) share from the paid up capital to the bank or in another company. 6. Provision of procurement service and other professional service is in line with the term and condition of a bank..
		b. In the assessment period there is no violation committed on rules regarding concurrent positions.	A member of a Board of Directors, Board of Commissioners and DPS do not violate the rule regarding concurrent position in accordance with prevailing regulations.

No.	Pillar	Aspect	Detail (BUS)
		c. There is no other party involvement (among others personal consultant & professional service) that causes transfer of duty as well as authority and decision making of the Board of Directors, DPS and Executive Officer non independently.	<ol style="list-style-type: none"> 1. A member of a Board of Directors may not give a general power of attorney to other party that cause a transfer of duty and function of the Director. 2. A member of Board of Directors may not utilize personal consultant and or professional service as a consultant except for special projects, based on a clear contract covering work scope, responsibilities, duration of work and cost.
		d. The DPS stipulate syariah opinions professionally.	The DPS syariah opinion or consideration has meet the regulation and not influenced by other party.
4	The Bank employed the strategy and two way communication.	a. The Bank implement transparency on financial and non-financial condition to the shareholders in accordance with the GCG principles and the prevailing regulations.	<ol style="list-style-type: none"> 1. The Board of Directors has disclosed the bank strategic policies related with the employment to the employees. 2. The Board of Directors has disclosed their share ownership and or financial relationship to a concerned bank as well as to other banks and companies (domestically as well as abroad). 3. The Board of Directors has disclosed their family relationship with members of the Board of Commissioners, Board of Directors and or shareholders. 4. The Board of Directors has disclosed their remuneration and other benefits in the GCG report.

No.	Pillar	Aspect	Detail (BUS)
			<ol style="list-style-type: none"> 5. The Board of Directors is responsible to disseminate the compliance policy. 6. The Board of Directors report to Bank Indonesia concerning the implementation of Compliance Directors and internal audit function. 7. The Bank implement transparency on financial and non-financial condition to the stakeholders including to announce Quarterly Publication of Financial Statement and report to Bank Indonesia in accordance with the prevailing regulation. 8. The Bank prepares and presents reports with the procedure, type and coverage as regulated in the Bank Indonesia provisions concerning Bank Financial Condition Transparency. 9. The Bank submitted their Annual Report at least to: <ul style="list-style-type: none"> ● Bank Indonesia ● YLKI (Indonesia Consumer Institution Foundation) ● Rating institution in Indonesia: ● Bankers Association in Indonesia ● LPPI; ● 2 (two) Economic and Financial Research Institution ● 2 (two) Economic and Financial Magazine

No.	Pillar	Aspect	Detail (BUS)
		b. The Bank has strategy, mechanism including communication media related to the development of two ways communication with their shareholders internally as well as externally	<ol style="list-style-type: none"> 1. The Board of Directors has communicated their Corporate Plan as well as their Business Plan to the Shareholders and the entire level of organization in the Bank. 2. The Bank submit the financial and non-financial information among others in a homepage (for those who have homepage), printed publication media, electronic media and others.
		c. In line with the strategy and mechanism of communication, the bank supports a two-way communication.	<ol style="list-style-type: none"> 1. The Bank provides sufficient means available to the customer (hot line/help desk) to convey the problem related to the bank business activity. 2. The response given by the Bank upon customers' complaint regarding bank services. 3. Measured by survey or questionnaire held by the Bank or a survey consultant hired by the Bank.
		d. The Bank attempted transparency on bank product to avoid misleading information and to avoid the unethical usage (misconduct) on the customers' personal data that may cause inconvenience to the customer.	<ol style="list-style-type: none"> 1. The Bank practiced transparency on bank product as regulated in Bank Indonesia provisions regarding Bank Product Information Transparency. 2. The Bank has mechanism and procedures on the usage of customers' personal data.

No.	Pillar	Aspect	Detail (BUS)
		e. The Bank conduct an effective two way communication with the DPS related with product development plan	A DPS periodical meeting with the Bank is verified by the minutes of meetings

A2. GENERAL MANAGEMENT – MANAGEMENT FACTOR COMPONENT CALCULATION / ANALYSIS MATRIX

No.	Pillar	Aspect	Detail (UUS)
1	The Bank determined an effective governance structure & mechanism	a. The Bank has an effective governance structure (conform with the characteristic, size and complexity, financial ability, as well as strategic goals of the bank) in line with the vision, mission and its function as a syariah bank, in accordance with prevailing laws and regulations.	<ol style="list-style-type: none"> 1. The position of the UUS Executive is in accordance with the provision, namely at least one level below the Board of Directors. 2. The Board of Directors has established an Internal Audit Working Unit (SKAI), a Risk Management Working Unit (SKMR), a Risk Management Committee, and a Compliance Working Unit that also responsible for syariah compliant, 3. The GCG assessment in general still refer to GCG assessment of the Parent Bank.
		b. The Bank stipulates goals, duty, delegation of authority mechanism, and a clear standard operating procedure including the provision of satisfactory supporting facilities and adaptive towards policy changes and internal as well as external conditions. Included in the stipulation of delegation of authority mechanism and standard operating procedure is the DPS communication mechanism with the Compliance Director, SKAI and SKMR	<ol style="list-style-type: none"> 1. The Board of Directors involved the UUS Executive in preparing strategic policies and decision making in connection with syariah business activity via Board of Directors meeting mechanism. 2. Resolutions in a Board of Directors meeting shall be adopted based on deliberation for consensus or majority votes. 3. The results of a Board of Directors meeting is documented in a minutes of meeting and should be properly documented, including dissenting opinions (if any). 4. The UUS Executive has his/her duties and responsibilities at least according to prevailing provisions. (PBI No.8/3/PBI/2006). 5. There is a system and procedure to submit recommendation regarding the election and or replacement of DPS members to the Board of Commissioners.

No.	Pillar	Aspect	Detail (UUS)
			<p>6. The Compliance Working Unit is responsible for the conformity of guidelines, system and procedure of all working unit with prevailing laws and regulations, including compliance to syariah provisions.</p> <p>7. The SKAI implement its duty by at least covering assessment on:</p> <ul style="list-style-type: none"> • Adequacy of Bank Internal Control System • Effectiveness of Bank Internal Control System • Performance quality • Compliance toward syariah principles in connection with syariah banking operations <p>8. The SKAI has reported the whole audit findings including matters related to syariah aspect according to prevailing laws and regulations.</p> <p>9. The SKAI has periodically prepare and update the working guidance as well as system and procedure including for syariah audit purposes.</p> <p>10. Assignment of a Accountant Public and a Accountant Public Office (KAP) must have prior approval from the Shareholders General Meeting based on Audit Committee recommendation.</p> <p>11. In line with the Bank's vision and mission in developing syariah business, the Bank Strategic Planning is prepared in the form of Corporate Plan and Business Plan.</p> <p>12. The Bank has a procedure and working mechanism that regulate the relationship between the DPS, SKAI, Compliance Director and SKMR.</p>

No.	Pillar	Aspect	Detail (UUS)
			13. To support the duty of DPS effectively, the Bank provide satisfactory supporting facilities.
		c. Consistent with the stipulated authority, mechanism and standard operating procedures, the UUS Executive with the supporting group and DPS conduct their duty.	<ol style="list-style-type: none"> 1. The Board of Directors together with the UUS Executive are fully responsible for the implementation of sharia business. 2. The UUS Executive has been responsible to the Board of Directors for his/her duties. 3. Recommendation on candidate member of DPS is submitted to the Shareholders General Meeting through the Board of Commissioners. 4. The Bank assigns a Accountant Public and a Accountant Public Office (KAP) registered with Bank Indonesia and is competent to audit sharia banks.
		d. The UUS Executive with the supporting group and DPS, in a real form have and utilize their span of control and appropriate supporting infrastructure (including management information system) in accordance with their duty and authority	<ol style="list-style-type: none"> 1. The Bank compliance system has qualified resources to handle their task effectively including having knowledge in sharia banking operation. 2. The availability of internal reporting is supported by a reliable Management Information System (MIS). 3. The availability of a appropriate information system is supported by competent human resources. 4. The availability of appropriate security system.

No.	Pillar	Aspect	Detail (UUS)
		e. The UUS Executive with the supporting group and the entire human resources assigned in the UUS and DPS possess appropriate qualification, properly maintained and acceptable to the stakeholders (among others employees, shareholders, and customers).	<ol style="list-style-type: none"> 1. The UUS Executive should possess integrity and sufficient competency, in accordance with prevailing provisions. 2. DPS members should possess integrity, sufficient competency and reputation in finance, in accordance with prevailing provisions. Competency among others can be measured through syariah opinion and considerations given by the DPS. 3. Human resources assigned to the UUS is in accordance to the requirements to support the syariah banking development according with the vision and mission stipulated by the bank.
		f. The UUS Executive with the supporting group and DPS should be able to implement corporate culture value in a proper and consistent manner.	The UUS Executive with the supporting group, DPS, and the Executive Officer should not violate the corporate culture value stipulated by the Bank.
2	The Bank must have a mechanism to identify, prevent, and minimize the occurrences of conflict of interest	a. The UUS Executive and the Executive Officer (including the Branch Manager) having a conflict of interest should not be involved in decision making.	There is no parties who has a conflict of interest involved in the decision making.

No.	Pillar	Aspect	Detail (UUS)
		b. If the UUS Executive and the Executive Officer (including the Branch Manager) has a conflict of interest involved in the decision making, an appropriate disclosure of each resolution must be made.	The conflict of interest is disclosed in every minutes of meeting.
		c. Resolutions taken by the UUS Executive and the Executive Officer (including the Branch Manager) and DPS indicating to have conflict of interest is a decision detrimental to a bank either financially and non financial.	The resolutions do not cause a loss or reduce the Bank's profit.
		d. The Bank has and enforce intern policy regarding: i. regulation of conflict of interest binding to every executive and employee of the bank; and ii. administrative notes, documentation and disclosure of conflict of interest mentioned in the minutes of meeting.	The bank has a clear rule regarding sanction and has the ability to implement aforesaid rules upon each violation related to conflict of interest.

No.	Pillar	Aspect	Detail (UUS)
3	UUS Executive and the Executive Officer and DPS have the capability to act independently and minimize every possibility that may lessen professionalism in the decision making	a. In the assessment period there is no related parties among the members of Board of Directors, Board of Commissioners, shareholders and DPS.	<ol style="list-style-type: none"> 1. The UUS Executive and team must be independent from related parties and or certain major debtors. 2. DPS sharia opinion or consideration has meet the regulation and not influenced by other parties.
		b. In the assessment period there is no violation committed on rules regarding concurrent positions	DPS does not violate the rule regarding concurrent poistion in accordance with prevailing regulations.
		c. There is no other party involvement (among others personal consultant & professional services) that causes transfer of duty as well as authority and decision making of the UUS Executive and its team and DPS non independently.	<ol style="list-style-type: none"> 1. The UUS Executive may not give a general power of attorney to other party that cause a transfer of duty and function of the UUS Executive. 2. The UUS Executive may not utilize private consultant and or professional service as a consultant except for special project based on a clear contract covering working scope, responsibility, working duration of work and cost.

No.	Pillar	Aspect	Detail (UUS)
		d. The DPS stipulate sharia opinions professionally.	The DPS sharia opinion or consideration has meet the regulation and not influenced by other party.
4	The Bank employed the strategy and two way communication.	a. The Bank implement transparency on financial and non financial condition to the shareholders in accordance with the GCG principles and the prevailing regulations.	<ol style="list-style-type: none"> 1. The Board of Directors has disclosed the bank strategic policies related with the employment to the UUS Executive and the team. 2. The UUS Executive has disclosed his/her assets prior to his/her nomination as UUS Executive. 3. The Bank implement tranparency on financial and non financial condition related with the sharia business activity to the stakeholders imcluding to announce Quarterly Publication of Financial Statement and report to Bank Indonesia in accordance with the prevailing regulation. 4. The Bank prepares and presents reports related with sharia business activity with the procedure, type and coverage as regulated in the Bank Indonesia provisions concerning Bank Financial condition Tranparency. 5. The Bank submitted their Annual Report regarding sharia business activity at least to: <ul style="list-style-type: none"> • Bank Indonesia • YLKI (Indonesia Consumer Institution Foundation) • Rating institution in Indonesia: • Bankers Association in Indonesia • LPPI • 2 (two) Economic and Financial Research Institution • 2 (two) Economic and Financial Magazine

No.	Pillar	Aspect	Detail (UUS)
		b. The Bank has strategy, mechanism including communication media related to the development of two ways communication with their shareholders internally as well as externally	<ol style="list-style-type: none"> 1. The Board of Directors have communicated sharia business activity Corporate Plan and Business Plan to the Shareholders and the entire level of organizations in the Bank. 2. The Bank submit the financial and non financial information related with sharia business activity among others in a homepage (for those who have homepage), printed publication media, electronic media and others.
		c. In line with the strategy and mechanism of communication, the bank supports a two way communication.	<ol style="list-style-type: none"> 1. The Bank provides sufficient means available to the customer (hot line / help desk) to convey the problem related to the bank business activity including sharia business activity. 2. The response given by the Bank upon customers' complaint regarding the bank services. 3. Measured by survey or questionnaire held by the Bank or a survey consultant hired by the Bank.
		d. The Bank attempted transparency on bank product to avoid misleading information and to avoid the unethical usage (misconduct) on the customers' personal data that may cause inconvenience to the customer.	<ol style="list-style-type: none"> 1. The Bank practiced transparency on bank product as regulated in Bank Indonesia provisions regarding Bank Product Information Transparency. 2. The Bank has mechanism and procedures on the usage of customers' personal data

No.	Pillar	Aspect	Detail (UUS)
		e. The Bank conduct an effective two way communication with the DPS related with product development plan.	A DPS periodical meeting with the Bank is verified by the minutes of meeting.

B. RISK MANAGEMENT - MANAGEMENT FACTOR COMPONENT CALCULATION / ANALYSIS MATRIX

No.	Pillar	Aspect	Detail
1	Credit Risks	a. Active control by the Board of Commissioners and The Board of Directors.	<ol style="list-style-type: none"> 1. Has the Board of Directors effectively explained and communicated credit risk policy and strategy to all related working unit and evaluated the implementation of such policy and strategy? 2. Have the Board of Commissioners and Board of Directors identified and managed credit risk inherent to new products and activities and ensure that such risks has passed adequate risk management process and a proper control prior to being introduced or applied? 3. Has the Board of Directors in carrying out the assigned credit risk policy and strategy already possessed a clear personnel nomination policy that can ensure competent personnel placement to the entire working unit facing exposure to credit risk? 4. Has the Board of Directors ensured that the credit risk management functions operate independently? 5. Do the Board of Commissioners and the Board of Directors understand the credit risk of every sort of product and activities of a Bank based on sharia principles and actively consent and periodically evaluate credit risk policy and strategy to the bank? 6. Have the Board of Commissioners and Board of Directors in evaluating and stipulating credit risk policies and strategies, considered risk tolerance and its impact to capitalization by considering external and internal changes including sharia banking industry policy development?

No.	Pillar	Aspect	Detail
		b. Adequacy of Operational Policy, Procedure and Limit Determination	<ol style="list-style-type: none"> 1. Is the management policy (identification, assessment, monitoring, and control) arranged in accordance with the credit risk strategy, the risk appetite of the bank and owners of profit sharing funds, and the risk of each akad? 2. Is the aforesaid management policy periodically evaluated and updated consistent with the changes within the credit risk strategy, prevailing regulation and proper prudential practice? 3. Is the aforesaid operational and risk management policy approved by the Board of Directors, put in writing, properly communicated and carried out by the working unit that handle functional activity facing credit risk exposure? 4. Is the credit risk limit structure determination process adequate and documented in writing and complete to facilitate audit trail? 5. Is the related risk management policy coverage clear and meet prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction? 6. Is the related risk management procedure adequate and complied with prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction?

No.	Pillar	Aspect	Detail
		c. Adequacy of Identification, Assessment, Monitoring and Management Information System of Bank Business Risk	<ol style="list-style-type: none"> 1. Is the credit risk identification process carried out properly consistent with the stipulated operational and procedural policy and the prudential principles? 2. Is the credit risk assessment carried out correctly and sufficiently in accordance with stipulated operational and procedural policy and the prudential principles? 3. Is the credit risk monitoring process carried out regularly and sufficiently in accordance with stipulated operational and procedural policy and the prudential principles? 4. Is the credit risk management information system coverage already adequate? 5. Is the credit risk management report prepared accurately and submitted regularly and timely to the Board of Directors?
		d. Internal Control System	<ol style="list-style-type: none"> 1. Is the data validation and credit risk model assessment carried out independently by a competent officer? 2. Is there an adequate test and review on the credit risk management information system? 3. Does the Bank have a credit risk management organization structure that clearly illustrates the authority and responsibility limits of credit risk management? 4. Is there a clear functional separation between a business unit and a working unit that carry out risk management function?

No.	Pillar	Aspect	Detail
			<ol style="list-style-type: none"> 5. Is the authority to access, to modify and to alter the credit risk assessment model and management information system software, limited only to the authorized officials? 6. Does the transaction from the functional activity that carry credit risk exposure have been reviewed and approved by a competent authority and the credit risk exposure monitored and minutely controlled by each business unit? 7. Does the periodical audit have been carried out by the internal auditor to assess risk management process and system including conformity of sharia principles implementation, on functional activities with credit risk exposure and a follow up action carried out on the audit finding?
2	Market risk	a. Active control by the Board of Commissioners and the Board of Directors	<ol style="list-style-type: none"> 1. Has the Board of Directors effectively explained and communicated market risk policy and strategy to all related working unit and evaluated the implementation of such policy and strategy? 2. Have the Board of Commissioners and Board of Directors identified and managed market risk inherent to new products and activities and ensure that such risks has passed adequate risk management process and a proper control prior to being introduced or applied? 3. Has the Board of Directors in carrying out the assigned credit risk policy and strategy already possessed a clear personnel nomination policy that can ensure competent personnel placement to the entire working unit facing exposure to market risk?

No.	Pillar	Aspect	Detail
			<ol style="list-style-type: none"> 4. Has the Board of Directors ensured that the market risk management functions operate independently? 5. Do the Board of Commissioners and Board of Directors understand the market risk of every sort of product and activities of a Bank based on sharia principles and actively consent and periodically evaluate market risk policy and strategy to the bank? 6. Have the Board of Commissioners and Board of Directors in evaluating and stipulating market risk policies and strategies, considered risk tolerance and the impact to capitalization by considering external and internal changes including sharia banking industry policy development?
		b. Adequacy of Operational Policy, Procedure and Limit Determination	<ol style="list-style-type: none"> 1. Is the management policy (identification, assessment, monitoring, and control) arranged in accordance with the market risk strategy, the risk appetite of the bank and owners of profit sharing funds, and the risk of each akad? 2. Is the aforesaid market policy periodically evaluated and updated consistent with the changes within the market risk strategy, prevailing regulation and proper prudential practice? 3. Is the aforesaid operational and risk management policy approved by the Board of Directors, put in writing, properly communicated and carried out by the working unit that handle functional activity facing market risk exposure?

No.	Pillar	Aspect	Detail
			<ol style="list-style-type: none"> 4. Is the market risk limit structure determination process adequate and documented in writing and complete to facilitate audit trail? 5. Is the related risk management policy coverage clear and meet prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction? 6. Is the related risk management policy adequate and complied with prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction?
		c. Adequacy of Identification, Assessment, Monitoring and Management Information System of Bank Business Risk	<ol style="list-style-type: none"> 1. Is the market risk identification process carried out properly consistent with the stipulated operational and procedural policy and the prudential principles? 2. Is the market risk assessment carried out correctly and sufficiently in accordance with stipulated operational and procedural policy and the prudential principles? 3. Is the market risk monitoring process carried out regularly and sufficiently in accordance with stipulated operational and procedural policy and the prudential principles? 4. Is the market risk management information system coverage already adequate? 5. Is the market risk management report prepared accurately and submitted regularly and timely to the Board of Directors?

No.	Pillar	Aspect	Detail
		d. Internal Control System	<ol style="list-style-type: none"> 1. Is the data validation and market risk assessment model carried out independently by a competent officer? 2. Is there an adequate test and review on the market risk management information system? 3. Does the Bank have a market risk management organization structure that clearly illustrates the authority and responsibility limits of market risk management? 4. Is there a clear functional separation between a business unit and a working unit that carry out risk management function? 5. Is the authority to access, to modify and to alter the market risk assessment model and management information system software, limited only to the authorized officials? 6. Does the transaction from the functional activity that carry market risk exposure have been reviewed and approved by a competent authority and the market risk exposure monitored and minutely controlled by each business unit? 7. Does the periodical audit have been carried out by the internal auditor to assess risk management process and system including conformity of sharia principles implementation, on functional activities with market risk exposure and a follow up action carried out on the audit finding?

No.	Pillar	Aspect	Detail
3	Liquidity Risk	a. Active Control by the Board of Commissioners and the Board of Directors	<ol style="list-style-type: none"> 1. Has the Board of Directors effectively explained and communicated the liquidity risk policy and strategy to the entire related working unit and evaluated the implementation of such policy and strategy? 2. Have the Board of Commissioners and the Board of Directors identified and managed liquidity risk inherent to new products and activities and ensure that such risks has passed adequate risk management process and a proper control prior to being introduced or applied? 3. Has the Board of Directors in carrying out the assigned liquidity risk policy and strategy possessed a clear personnel nomination policy that can ensure competent personnel placement to the entire working unit facing exposure to liquidity risk? 4. Has the Board of Directors ensured that the liquidity risk management functions operate independently? 5. Do the Board of Commissioners and the Board of Directors understand the liquidity risk of every sort of product and activity of the Bank based on sharia principles and actively consent and periodically evaluate liquidity risk policy and strategy to the bank? 6. Have the Board of Commissioners and the Board of Directors in evaluating and stipulating liquidity risk policies and strategies, considered risk tolerance and the impact to the capitalization by considering external and internal changes including sharia banking industry policy development?

No.	Pillar	Aspect	Detail
		b. Adequacy of Operational Policy, Procedure and Limit Determination	<ol style="list-style-type: none"> 1. Is the management policy (identification, assessment, monitoring, and control) arranged in accordance with the liquidity risk strategy, the risk appetite of the bank and owners of profit sharing funds, and the risk of each akad? 2. Is the aforesaid liquidity policy periodically evaluated and updated consistent with the changes within the liquidity risk strategy, prevailing regulation and proper prudential practice? 3. Is the aforesaid operational and risk management policy approved by the Board of Directors, put in writing, properly communicated and carried out by the working unit that handle functional activity facing liquidity risk exposure? 4. Is the liquidity risk limit structure determination process adequate and documented in writing and complete to facilitate audit trail? 5. Is the related risk management policy coverage clear and meet prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction? 6. Is the related risk management policy adequate and complied with prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction?

No.	Pillar	Aspect	Detail
		c. Adequacy of Identification, Assessment, Monitoring and Management Information System of Bank Business Risk	<ol style="list-style-type: none"> 1. Is the liquidity risk identification process carried out properly consistent with the stipulated operational and procedural policy and the prudential principles? 2. Is the liquidity risk assessment carried out correctly and sufficiently in accordance with stipulated operational and procedural policy and the prudential principles? 3. Is the liquidity risk monitoring process carried out regularly and sufficiently in accordance with stipulated operational and procedural policy and the prudential principles? 4. Is the liquidity risk management information system coverage already adequate? 5. Is the liquidity risk management report prepared accurately and submitted regularly and timely to the Board of Directors?
		d. Internal control system	<ol style="list-style-type: none"> 1. Is the data validation and liquidity risk assessment carried out independently by a competent officer? 2. Is there an adequate test and review on the liquidity risk management information system? 3. Does the Bank have a liquidity risk management organization structure that clearly illustrates the authority and responsibility limits of liquidity risk management? 4. Is there a clear functional separation between a business unit and a working unit that carry out risk management function?

No.	Pillar	Aspect	Detail
			<ol style="list-style-type: none"> 5. Is the authority to access, to modify and to alter the liquidity risk assessment model and management information system software, limited only to the authorized officials? 6. Does the transaction from the functional activity that carry liquidity risk exposure have been reviewed and approved by a competent authority and the liquidity risk exposure monitored and minutely controlled by each business unit? 7. Does the periodical audit have been carried out by the internal auditor to assess risk management process and system including conformity of sharia principles implementation, on functional activities with liquidity risk exposure and a follow up action carried out on the audit finding?
4	Operational Risk	a. Active control by the Board of Commissioners and the Board of Directors	<ol style="list-style-type: none"> 1. Has the Board of Directors effectively explained and communicated the operational risk policy and strategy to the all related working unit and evaluated the implementation of such policy and strategy? 2. Have the Board of Commissioners and the Board of Directors identified and managed operational risk inherent to new product and activity and ensure that such risks has passed adequate risk management process and a proper control prior to being introduced or applied? 3. Has the Board of Directors in carrying out the assigned operational risk policy and strategy already possessed a clear personnel

No.	Pillar	Aspect	Detail
			<p>nomination policy that can ensure competent personnel placement to the entire working unit facing exposure to operational risk?</p> <p>4. Has the Board of Directors ensured that the operational risk management functions operate independently?</p> <p>5. Do the Board of Commissioners and the Board of Directors understand the operational risk of every sort of product and activity of the Bank based on sharia principles and actively consent and periodically evaluate operational risk policy and strategy to the bank?</p> <p>6. Have the Board of Commissioners and the Board of Directors in evaluating and stipulating operational risk policy and strategy, considered risk tolerance and its impact to capitalization by considering external and internal changes including sharia banking industry policy development?</p>
		b. Adequacy of Operational Policy, Procedure and Limit Determination	<p>1. Is the management policy (identification, assessment, monitoring, and control) arranged in accordance with the operational risk strategy, the risk appetite of the bank and owners of profit sharing funds, and the risk of each akad?</p> <p>2. Is the aforesaid operational policy periodically evaluated and updated consistent with the changes within the operational risk strategy, prevailing regulation and proper prudential practice?</p> <p>3. Is the aforesaid operational and risk management policy approved by the Board of Directors, put in writing, properly communicated</p>

No.	Pillar	Aspect	Detail
			<p>and carried out by the working unit that handle functional activity facing operational risk exposure?</p> <ol style="list-style-type: none"> 4. Is the operational risk limit structure stipulation process adequate and documented in writing and complete to facilitate audit trail? 5. Is the related risk management policy coverage clear and meet prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction? 6. Is the related operational management policy adequate and complied with prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction?
		c. Adequacy of Identification, Assessment, Monitoring and Management Information System of Bank Business Risk	<ol style="list-style-type: none"> 1. Is the operational risk identification process carried out properly consistent with the stipulated operational and procedural policy and the prudential principles? 2. Is the operational risk assessment carried out correctly and sufficiently in accordance with stipulated operational and procedural policy and the prudential principles? 3. Is the operational risk monitoring process carried out regularly and sufficiently in accordance with stipulated operational and procedural policy and the prudential principles?

No.	Pillar	Aspect	Detail
			<ol style="list-style-type: none"> 4. Is the operational risk management information system coverage already adequate? 5. Is the operational risk management report prepared accurately and submitted regularly and timely to the Board of Directors?
		d. Internal Control System	<ol style="list-style-type: none"> 1. Is the data validation and operational risk assessment carried out independently by a competent officer? 2. Is there an adequate test and review on the operational risk management information system? 3. Does the Bank have an operational risk management organization structure that clearly illustrates the authority and responsibility limits of operational risk management? 4. Is there a clear functional separation between a business unit and a working unit that carry out risk management function? 5. Is the authority to access, to modify and to alter the operational risk assessment model and management information system software, limited only to the authorized officials? 6. Does the transaction from the functional activity that carry operational risk exposure have been reviewed and approved by a competent authority and the operational risk exposure monitored and minutely controlled by each business unit?

No.	Pillar	Aspect	Detail
			<p>7. Does the periodical audit have been carried out by the internal auditor to assess risk management process and system including conformity of sharia principles implementation, on functional activities with operational risk exposure and a follow up action carried out on the audit finding?</p>
5	Legal Risk	a. Active control by the Board of Commissioners and the Board of Directors	<p>1. Has the Board of Directors effectively explained and communicated legal risk policy and strategy to the all related working unit and evaluated the implementation of such policy and strategy?</p> <p>2. Have the Board of Commissioners and the Board of Directors identified and managed legal risk inherent to the new product and activity and ensure that such risks has passed adequate risk management process and a proper control prior to being introduced or applied?</p> <p>3. Has the Board of Directors in carrying out the assigned legal risk policy and strategy already possessed a clear personnel nomination policy that can ensure a competent personnel placement to the entire working unit facing exposure to legal risk?</p> <p>4. Has the Board of Directors ensured that the legal risk management function operates independently?</p> <p>5. Do the Board of Commissioners and the Board of Directors understand the legal risk of every sort of product and activity of the Bank based</p>

No.	Pillar	Aspect	Detail
			<p>on sharia principles and actively consent and periodically evaluate legal risk policy and strategy with the bank?</p> <p>6. Have the Board of Commissioners and the Board of Directors in evaluating and stipulating legal risk policy and strategy, considered risk tolerance and the impact to capitalization by observing external and internal changes including sharia banking industry policy development?</p>
		b. Adequacy of Legal Policy, Procedure and Limit Determination	<p>1. Is the management policy (identification, assessment, monitoring, and control) arranged in accordance with the legal risk strategy, the risk appetite of the bank and owners of profit sharing funds, and the risk of each akad?</p> <p>2. Is the aforesaid legal policy periodically evaluated and updated consistent with the changes within the legal risk strategy, prevailing regulation and proper prudential practice?</p> <p>3. Is the aforesaid legal and risk management policy approved by the Board of Directors, put in writing, properly communicated and carried out by the working unit that handle functional activity facing legal risk exposure?</p> <p>4. Is the legal risk limit structure determination process adequate and documented in writing and complete to facilitate audit trail?</p> <p>5. Is the related risk management policy coverage clear and meet prudential principles and proper banking prudential practice and is</p>

No.	Pillar	Aspect	Detail
			<p>able to minimize akad usage that is not consistent with the financial characteristic of each transaction?</p> <p>6. Is the related legal management policy adequate and complied with prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction?</p>
		<p>c. Adequacy of Identification, Assessment, Monitoring and Management Information System of Bank Business Risk</p>	<p>1. Is the legal risk identification process carried out properly consistent with the stipulated legal and procedural policy and the prudential principles?</p> <p>2. Is the legal risk assessment carried out correctly and sufficiently in accordance with stipulated legal and procedural policy and the prudential principles?</p> <p>3. Is the legal risk monitoring process carried out regularly and sufficiently in accordance with stipulated legal and procedural policy and the prudential principles?</p> <p>4. Is the legal risk management information system coverage already adequate?</p> <p>5. Is the legal risk management report prepared accurately and submitted regularly and timely to the Board of Directors?</p>

No.	Pillar	Aspect	Detail
		d. Internal Control System	<ol style="list-style-type: none"> 1. Is the data validation and legal risk assessment carried out independently by a competent officer? 2. Is there an adequate test and review on the legal risk management information system? 3. Does the Bank have a legal risk management organization structure that clearly illustrates the authority and responsibility limits of legal risk management? 4. Is there a clear functional separation between a business unit and a working unit that carry out risk management function? 5. Is the authority to access, to modify and to alter the legal risk assessment model and management information system software, limited only to the authorized officials? 6. Does the transaction from the functional activity that carries legal risk exposure have been reviewed and approved by a competent authority and the legal risk exposure monitored and minutely controlled by each business unit? 7. Does the periodical audit have been carried out by the internal auditor to assess risk management process and system including conformity of sharia principles implementation, on functional activities with legal risk exposure and a follow up action carried out on the audit finding?

No.	Pillar	Aspect	Detail
6	Reputation Risk	a. Active Control by the Board of Commissioners and the Board of Directors	<ol style="list-style-type: none"> 1. Has the Board of Directors effectively explained and communicated reputation risk policy and strategy to the all related working unit and evaluated the implementation of such policy and strategy implementation? 2. Have the Board of Commissioners and the Board of Directors identified and managed reputation risk inherent to the new product and activity and ensure that such risks has passed adequate risk management process and control prior to being introduced or applied? 3. Has the Board of Directors in carrying out the assigned reputation risk policy and strategy already possessed a clear personnel nomination policy that enable to ensure a competent personnel placement to the entire working unit facing exposure to reputation risk? 4. Has the Board of Directors ensured that the reputation risk management function operates independently? 5. Do the Board of Commissioners and the Board of Directors understand the reputation risk of every sort of product and activity of the Bank based on sharia principles and actively consent and periodically evaluate reputation risk policy and strategy to the bank? 6. Have the Board of Commissioners and the Board of Directors in

No.	Pillar	Aspect	Detail
			evaluating and stipulating reputation risk policy and strategy, considered risk tolerance and the impact to capitalization by observing external and internal changes including sharia banking industry policy development?
		b. Adequacy of Reputation Policy, Procedure and Limit Determination	<ol style="list-style-type: none"> 1. Is the management policy (identification, assessment, monitoring, and control) arranged in accordance with the reputation risk strategy, the risk appetite of the bank and owners of profit sharing funds, and the risk of each akad? 2. Is the aforesaid reputation policy periodically evaluated and updated consistent with the changes within the reputation risk strategy, prevailing regulation and proper prudential practice? 3. Is the aforesaid reputation and risk management policy approved by the Board of Directors, put in writing, properly communicated and carried out by the working unit that handle functional activity facing reputation risk exposure? 4. Is the reputation risk limit structure stipulation process adequate and documented in writing and complete to facilitate audit trail? 5. Is the related risk management policy coverage clear and meet prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction? 6. Is the related reputation management policy adequate and complied with the prudential principles and proper banking prudential

No.	Pillar	Aspect	Detail
			practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction?
		c. Adequacy of Identification, Assessment, Monitoring and Management Information System of Bank Business Risk	<ol style="list-style-type: none"> 1. Is the reputation risk identification process carried out properly consistent with the stipulated reputation and procedural policy and the prudential principles? 2. Is the reputation risk assessment carried out correctly and sufficiently in accordance with stipulated reputation and procedural policy and the prudential principles? 3. Is the reputation risk monitoring process carried out regularly and sufficiently in accordance with stipulated reputation and procedural policy and the prudential principles? 4. Is the reputation risk management information system coverage already adequate? 5. Is the reputation risk management report prepared accurately and submitted regularly and timely to the Board of Directors?
		d. Internal Control System	<ol style="list-style-type: none"> 1. Is the data validation and reputation risk assessment carried out independently by a competent officer? 2. Is there an adequate test and review on the reputation risk management information system?

No.	Pillar	Aspect	Detail
			<ol style="list-style-type: none"> 3. Does the Bank have a reputation risk management organization structure that clearly illustrates the authority and responsibility limits of reputation risk management? 4. Is there a clear functional separation between a business unit and a working unit that carry out risk management function? 5. Is the authority to access, to modify and to alter the reputation risk assessment model and management information system software, limited only to the authorized officials? 6. Does the transaction from the functional activity that carry reputation risk exposure have been reviewed and approved by a competent authority and the reputation risk exposure monitored and minutely controlled by each business unit? 7. Does the periodical audit have been carried out by the internal auditor to assess risk management process and system including conformity of sharia principles implementation, on functional activities with reputation risk exposure and a follow up action carried out on the audit finding?
7	Strategic risk	a. Active control by the Board of Commissioners and the Board of Directors	<ol style="list-style-type: none"> 1. Has the Board of Directors effectively explained and communicated the strategic risk policy and strategy to the all related working unit and evaluated the implementation of such policy and strategy implementation? 2. Have the Board of Commissioners and the Board of Directors identified and managed strategic risk inherent to the new product

No.	Pillar	Aspect	Detail
			<p>and activity and ensure that such risks has passed adequate risk management process and control prior to being introduced or applied?</p> <p>3. Has the Board of Directors in carrying out the assigned strategic risk policy and strategy already possessed a clear personnel nomination policy that can ensure a competent personnel placement to the entire working unit facing exposure to strategic risk?</p> <p>4. Has the Board of Directors ensured that the strategic risk management function operates independently?</p> <p>5. Do the Board of Commissioners and the Board of Directors understand the strategic risk of every sort of product and activity of the Bank based on sharia principles and actively consent and periodically evaluate strategic risk policy and strategy with the bank?</p> <p>6. Have the Board of Commissioners and the Board of Directors in evaluating and stipulating strategic risk policy and strategy, considered risk tolerance and the impact to capitalization by observing external and internal changes including sharia banking industry policy development?</p>
		b. Adequacy of Strategic Policy, Procedure and Limit Determination	<p>1. Is the management policy (identification, assessment, monitoring, and control) arranged in accordance with the strategic risk strategy, the risk appetite of the bank and owners of profit sharing funds, and the risk of each akad?</p>

No.	Pillar	Aspect	Detail
			<ol style="list-style-type: none"> 2. Is the aforesaid strategic policy periodically evaluated and updated consistent with the changes within the strategic risk strategy, prevailing regulation and proper prudential practice? 3. Is the aforesaid strategic and risk management policy approved by the Board of Directors, put in writing, properly communicated and carried out by the working unit that handle functional activity facing strategic risk exposure? 4. Is the strategic risk limit structure stipulation process adequate and documented in writing and complete to facilitate audit trail? 5. Is the related risk management policy coverage clear and meet prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction? 6. Is the related strategic management policy adequate and complied with prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction?
		c. Adequacy of Identification, Assessment, Monitoring and Management Information System of Bank Business Risk	<ol style="list-style-type: none"> 1. Is the strategic risk identification process carried out properly consistent with the stipulated strategic and procedural policy and the prudential principles? 2. Is the strategic risk assessment carried out correctly and sufficiently in accordance with stipulated strategic and procedural policy and the prudential principles?

No.	Pillar	Aspect	Detail
			<ol style="list-style-type: none"> 3. Is the strategic risk monitoring process carried out regularly and sufficiently in accordance with stipulated strategic and procedural policy and the prudential principles? 4. Is the strategic risk management information system coverage already adequate? 5. Is the strategic risk management report prepared accurately and submitted regularly and timely to the Board of Directors?
		d. Internal Control System	<ol style="list-style-type: none"> 1. Is the data validation and strategic risk assessment carried out independently by a competent officer? 2. Is there an adequate test and review on the strategic risk management information system? 3. Does the Bank have a strategic risk management organization structure that clearly illustrates the authority and responsibility limits of strategic risk management? 4. Is there a clear functional separation between a business unit and a working unit that carry out risk management function? 5. Is the authority to access, to modify and to alter the strategic risk assessment model and management information system software, limited only to the authorized officials? 6. Does the transaction from the functional activity that carries strategic risk exposure have been reviewed and approved by a competent authority and the strategic risk exposure monitored and minutely controlled by each business unit?

No.	Pillar	Aspect	Detail
			<p>7. Does the periodical audit have been carried out by the internal auditor to assess risk management process and system including conformity of sharia principles implementation, on functional activities with strategic risk exposure and a follow up action carried out on the audit finding?</p>
8	Compliance Risk	a. Active control by the Board of Commissioners and the Board of Directors.	<p>1. Has the Board of Directors effectively explained and communicated the compliance risk policy and strategy to the entire related working unit and evaluated the implementation of such policy and strategy implementation?</p> <p>2. Have the Board of Commissioners and the Board of Directors identified and managed compliance risk inherent to the new product and activity and ensure that such risks has passed adequate risk management process and control prior to being introduced or applied?</p> <p>3. Has the Board of Directors in carrying out the assigned compliance risk policy and strategy already possessed a clear personnel nomination policy that enable to ensure a competent personnel placement to the entire working unit facing exposure to compliance risk?</p> <p>4. Has the Board of Directors ensured that the compliance risk management function operates independently?</p> <p>5. Do the Board of Commissioners and the Board of Directors understand the compliance risk of every sort of product and activity</p>

No.	Pillar	Aspect	Detail
			<p>of the Bank based on sharia principles and actively consent and periodically evaluate compliance risk policy and strategy to the bank?</p> <p>6. Have the Board of Commissioners and the Board of Directors in evaluating and stipulating compliance risk policy and strategy, considered risk tolerance and the impact to capitalization by observing external and internal changes including sharia banking</p>
		b. Adequacy of Compliance Policy, Procedure and Limit Determination	<p>1. Is the management policy (identification, assessment, monitoring, and control) arranged in accordance with the compliance risk strategy, the risk appetite of the bank and owners of profit sharing funds, and the risk of each akad?</p> <p>2. Is the aforesaid compliance policy periodically evaluated and updated consistent with the changes within the compliance risk strategy, prevailing regulation and proper prudential practice?</p> <p>3. Is the aforesaid compliance and risk management policy approved by the Board of Directors, put in writing, properly communicated and carried out by the working unit that handle functional activity facing compliance risk exposure?</p> <p>4. Is the compliance risk limit structure stipulation process adequate and documented in writing and complete to facilitate audit trail?</p> <p>5. Is the related risk management policy coverage clear and meet prudential principles and proper banking prudential practice and is</p>

No.	Pillar	Aspect	Detail
			<p>able to minimize akad usage that is not consistent with the financial characteristic of each transaction?</p> <p>6. Is the related compliance management policy adequate and complied with prudential principles and proper banking prudential practice and is able to minimize akad usage that is not consistent with the financial characteristic of each transaction?</p>
		c. Adequacy of Identification, Assessment, Monitoring and Management Information System of Bank Business Risk	<p>1. Is the compliance risk identification process carried out properly consistent with the stipulated compliance and procedural policy and the prudential principles?</p> <p>2. Is the compliance risk assessment carried out correctly and sufficiently in accordance with stipulated compliance and procedural policy and the prudential principles?</p> <p>3. Is the compliance risk monitoring process carried out regularly and sufficiently in accordance with stipulated compliance and procedural policy and the prudential principles?</p> <p>4. Is the compliance risk management information system coverage already adequate?</p> <p>5. Is the compliance risk management report prepared accurately and submitted regularly and timely to the Board of Directors?</p>

No.	Pillar	Aspect	Detail
		d. Internal Control System	<ol style="list-style-type: none"> 1. Is the data validation and compliance risk assessment carried out independently by a competent officer? 2. Is there an adequate test and review on the compliance risk management information system? 3. Does the Bank have a compliance risk management organization structure that clearly illustrates the authority and responsibility limits of compliance risk management? 4. Is there a clear functional separation between a business unit and a working unit that carry out risk management function? 5. Is the authority to access, to modify and to alter the compliance risk assessment model and management information system software, limited only to the authorized officials? 6. Does the transaction from the functional activity that carry compliance risk exposure have been reviewed and approved by a competent authority and the compliance risk exposure monitored and minutely controlled by each business unit? 7. Does the periodical audit have been carried out by the internal auditor to assess risk management process and system including conformity of sharia principles implementation, on functional activities with compliance risk exposure and a follow up action carried out on the audit finding

C. COMPLIANCE MANAGEMENT - MANAGEMENT FACTOR COMPONENT CALCULATION / ANALYSIS MATRIX

No.	Pillar	Aspect	Detail
1	The effectiveness of Bank compliance function including the committees	a. The Bank compliance function (compliance working unit and related committee) operates effectively to minimize violation against prudential provisions among others BMPK, PDN and KYC.	<ol style="list-style-type: none"> 1. The Bank ascertains compliance to prevailing laws and Bank Indonesia regulations. 2. The Bank independently and effectively executes internal audit functions on all activities aspect and elements supposed to directly affect the Bank and public interest. 3. The Bank has fully complied to Bank Indonesia provisions regarding Legal Lending Limit (BMPK) 4. The track record and compliance level of the Bank to the BMPK, PDN and KYC provisions. 5. The extended financing has considered the Bank's capital and the distribution/diversification of the Bank's portfolio. 6. The making and submission of the Business Plan: <ul style="list-style-type: none"> • Has referred to Bank Indonesia provisions concerning Commercial Bank Business Plan; • Has considered the composite risk level / Risk Control System (RCS) – Strategic risk; • Has considered the external and internal factors affecting the Bank's business sustainability; • Has considered the prudential and sound banking principles.

No.	Pillar	Aspect	Detail
		b. During the assessment period, no occurrence of violation against sharia principles including, but not limited to Bank Indonesia regulation regarding akad to mobilize and channel funds and effective accounting standard and accounting guidelines for sharia banking especially concerning income and expense statements.	<ol style="list-style-type: none"> 1. No sharia violation against the akad and its implementation in mobilization and channeling of funds 2. Presentation of income and expense statement is consistent with effective accounting standards and guidelines to sharia Banks.
		c. The Bank has followed up on audit results / recommendation on compliance to sharia principles. Practice on prudential principles and other commitments (among others Bank business plan).	<ol style="list-style-type: none"> 1. Follow up action has been carried out based on the findings of SKAI and DPS audit. 2. The Board of Directors has followed up the audit findings and recommendation from the SKAI, DPS, external auditor, Bank Indonesia and or results by other authorities. 3. The Board of Directors has followed up the commitments made to BI, including but not limited to bank business plan, Cease and Decease Order (CDO) etc.

No.	Pillar	Aspect	Detail
		d. Related with the recognition of profit sharing funds' owner rights, the sharia bank has informed them the risk including the method used in profit sharing..	<ol style="list-style-type: none"> 1. The Bank has informed the customers' rights, obligation and risk related to the 'mudharabah' product both in mobilizing and channeling of funds distribution including the methods used in profit sharing. 2. Regarding the 'mudharabah muqayyadah' product where the bank acts as an investment agent, the bank has informed the customers' rights, obligation and risk, especially if the investment has failed..
		e. The bank has carried out their social function through collection and distribution of 'Zakat' and endowment funds	
2	The Good corporate governance has implemented effectively among others	a. During the assessment period, the good corporate governance has been carried out through monitoring and evaluation of the commitment and/or the implementation of management ethics by all parties (the	

No.	Pillar	Aspect	Detail
	in implementing the evaluation and supervision of management ethics by the all parties(theBoard of Directors, executive officer as well as employees). The management ethics should be formulated based on sharia values.	Board of Directors, executive officer as well as employees). Management ethics should be formulated based on sharia values.	
		b. The good corporate governance has been conducted the necessary actions in every policies taken by the board of Directors / executive officers which is related to the shareholders in the framework of minimizing:	<ol style="list-style-type: none"> 1. The possibility of the stakeholder's right and interest being ignored will always be the main consideration in every policy. Stakeholders are include the shareholders, employees, funds owners, financing customers etc. in accordance with GCG provisions. 2. During the assessment period there was no violation on management ethics.

No.	Pillar	Aspect	Detail
		<ul style="list-style-type: none"> • The violation of the ethic code • The Neglection of the rights and interest of shareholders • The violation against sharia brotherhood ('ukhuwah'), justice ('adalah'), benefit ('maslahah') and balance ('tawazun') 	<ol style="list-style-type: none"> 3. Income disparity is considered low and / or does not create dissatisfaction among the employees in general. 4. During the assessment period, there is no sharia principles violation took place.

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ATTACHMENT 2 – FACTOR RATING STIPULATING CRITERIA MATRIX

Attachment 2 a	Capital
Attachment 2 b	Asset Quality
Attachment 2 c	Earnings
Attachment 2 d	Liquidity
Attachment 2 e	Sensitivity to Market Risks

CAPITAL FACTOR RATING STIPULATING CRITERIA MATRIX

FACTOR	RATING				
	1	2	3	4	5
Capital	The capital level is significantly higher than level that required by regulation regarding minimum capital adequacy requirement for commercial banks based on sharia principles and is predicted to be remain at this level within the next 12 (twelve) months	The capital level is than level that required by regulation regarding minimum capital adequacy requirement for commercial banks based on sharia principles and is predicted to be remain at this level and improved from this level within the next 12 (twelve) months	The capital level is slightly higher than or same than level that required by regulation regarding minimum capital adequacy requirement for commercial banks based on sharia principles and is predicted to be remain at this level within the next 12 (twelve) months	The capital level is slightly lower than level that required by regulation regarding minimum capital adequacy requirement for commercial banks based on sharia principles and is predicted to be improved within the next 6 (six) months	The capital level is lower than level that required by regulation regarding minimum capital adequacy requirement for commercial banks based on sharia principles and is predicted to be remain at this level or decrease within the next 6 (six) months

ASSETS QUALITY FACTOR RATING STIPULATING CRITERIA MATRIX

FACTOR	RATING				
	1	2	3	4	5
Assets Quality	<p>Assets quality are very good and carrying very minimum portfolio risk</p> <p>Policies and procedures for the provision of financing and risk management of the financing have:</p> <ul style="list-style-type: none"> implemented very well and in accordance with the scale of bank business, and support the operational activities in a safe and healthy; and 	<p>Assets quality are good but carrying an in-significant weakness</p> <p>Policies and procedures for the provision of financing and risk management of the financing have:</p> <ul style="list-style-type: none"> implemented properly and in accordance with the scale of bank business, and operational support activities in a safe and healthy; and 	<p>Asset quality is quite good, but are expected to decline if not restored.</p> <p>Policies and procedures for the provision of financing and risk management of the financing have:</p> <ul style="list-style-type: none"> implemented adequately and in accordance with the scale of bank business, but there are still weaknesses that are not significant, and/or 	<p>Asset quality is less good and expected will threaten the survival of the bank when the fundamental improvements were not done.</p> <p>Policies and procedures for the provision of financing and risk management of the financing have:</p> <ul style="list-style-type: none"> implemented relatively well and in accordance with the scale of bank business, but there are still weaknesses that are not significant; and/or 	<p>Asset quality is not good and the survival of the bank is estimated to be difficult to be saved.</p> <p>Policies and procedures for the provision of financing and risk management of the financing have:</p> <ul style="list-style-type: none"> implemented improperly or not in accordance with the scale of bank business, and there is a very significant weaknesses and a continued difficult business bank to be saved; and/or

ASSET QUALITY FACTOR RATING DETERMINATION CRITERIA MATRIX

FACTOR	RATING				
	1	2	3	4	5
	<ul style="list-style-type: none"> • Very well documented and administered 	<ul style="list-style-type: none"> • Properly documented and administered 	<ul style="list-style-type: none"> • Satisfactorily documented and administered 	<ul style="list-style-type: none"> • Improperly documented and administered 	<ul style="list-style-type: none"> • Poorly documented and administered

EARNINGS FACTOR RATING STIPULATING MATRIX

FACTOR	RATING				
	1	2	3	4	5
Earnings	<p>Earnings have very high ability to anticipate potential losses and increase capital</p> <p>Applying principles of accounting, revenue recognition, cost recognition and profit distribution have been conducted in accordance with the existing regulations</p>	<p>Earnings have high ability to anticipate potential losses and increase capital</p> <p>Applying principles of accounting, revenue recognition, cost recognition and profit distribution have been conducted in accordance with the existing regulations</p>	<p>Earnings have high enough ability to anticipate potential losses and increase capital</p> <p>Applying principles of accounting, revenue recognition, cost recognition and profit distribution have not been conducted in accordance with the existing regulations</p>	<p>Earnings have low ability to anticipate potential losses and increase capital</p> <p>Applying principles of accounting, revenue recognition, cost recognition and profit distribution have not been conducted in accordance with the existing regulations</p>	<p>Earnings have very low ability to anticipate potential losses and increase capital</p> <p>Applying principles of accounting, revenue recognition, cost recognition and profit distribution is not in accordance with the existing regulations</p>

LIQUIDITY FACTOR RATING STIPULATING CRITERIA MATRIX

FACTOR	RATING				
	1	2	3	4	5
LIQUIDITY	The ability of liquidity of Bank to anticipate liquidity requirements and implementation of liquidity risks management is very strong	The ability of liquidity of Bank to anticipate liquidity requirements and implementation of liquidity risks management is strong	The ability of liquidity of Bank to anticipate liquidity requirements and implementation of liquidity risks management is reasonable	The ability of liquidity of Bank to anticipate liquidity requirements and implementation of liquidity risks management is weak	The Bank liquidity to anticipate liquidity requirements and implementation of liquidity risks management is very weak

SENSITIVITY TOWARD MARKET RISK FACTOR RATING DETERMINATION CRITERIA MATRIX

FACTOR	RATING				
	1	2	3	4	5
SENSITIVITY TO MARKET RISK	The risk is very low, and the implementation of management of market risk is effective and consistent	The risk is relatif low, and the implementation of management of market risk is effective and consistent	The risk is moderate or high, and the implementation of management of market risk is effective and consistent	The risk is moderate or high, and the implementation of management of market risk has not been effective and consistent	The risk is moderate or high, and the implementation of management of market risk is not effective and consistent

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ATTACHMENT 3

FINANCIAL FACTOR RATING DETERMINATION CRITERIA MATRIX

FINANCIAL FACTOR ASSESSMENT WEIGHT MATRIX

Description	Weight
Capital Factor Rating	25%
Assets Quality Factor Rating	50%
Earnings Factor Rating	10%
Liquidity Factor Rating	10%
Sensitivity Factor Rating on Market Risk	5%

FINANCIAL FACTOR RATING DETERMINATION CRITERIA MATRIX

FACTOR	RATING				
	1	2	3	4	5
1. Capital 2. Asset Quality 3. Earnings 4. Liquidity 5. Sensitivity to Market Risk	<p>Bank's or UUS's financial condition is very good in supporting business development and anticipating the changes in economic and financial industry conditions</p> <p>Bank has a strong financial ability to support a business development plan and risk control when significant changes occur in the banking industry.</p>	<p>Bank's or UUS's financial condition is good in supporting business development and anticipating the changes in economic and financial industry conditions</p> <p>Bank has a reasonable financial ability to support a business development plan and risk control when significant changes occur in the banking industry.</p>	<p>Bank's or UUS's financial condition is good enough in supporting business development and anticipating the changes in economic and financial industry conditions</p> <p>The Bank has financial ability to support business development plans, but not sufficient to control the risk if there is an error in policy and a significant change in the banking industry.</p>	<p>Bank's or UUS's financial condition is worse and sensitive to the changes in economic and financial industry conditions</p> <p>The Bank has financial difficulty that is potential to endanger the business continuity</p>	<p>Bank's or UUS's financial condition is worst and very sensitive to the negative influence in economic and financial industry conditions</p> <p>The Bank has financial difficulty that is endanger the business continuity and can not be saved</p>

ATTACHMENT 4

MANAGEMENT FACTOR RATING STIPULATING CRITERIA MATRIX

MANAGEMENT FACTOR RATING STIPULATING CRITERIA MATRIX

FACTOR	RATING			
	A	B	C	D
Management	<p>The Bank Management track record is very satisfactory , independent, capable to adapt to external condition changes, possesses a very strong risk control system and capable to overcome problems faced both present as well as future ones.</p> <p>Management response is very good and no mandatory control action is needed</p>	<p>The Bank Management track record is satisfactory , independent, capable to adapt to external condition changes, possesses a very strong risk control system and capable to overcome problems faced both present as well as future ones.</p> <p>Management response is good and the authority only needs an immaterial mandatory control</p>	<p>The Bank Management track record is sufficient, sufficiently independent, sufficiently capable to adapt to external condition changes, possesses a sufficient risk control system and sufficiently capable to overcome problems faced both present as well as future ones..</p> <p>Management response is satisfactory but the authority need to take mandatory control action to prevent the Bank condition from facing potential difficulties that endangers its business survival.</p>	<p>The Bank Management track record is insufficient, insufficiently independent, less capable to adapt to external condition changes, possesses a weak risk control system and not capable to overcome problems faced both present as well as future ones</p> <p>Management response is not satisfactory so that the authority need to take some mandatory control action to prevent the Bank condition from facing difficulties that endangers its business survival.</p>

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ATTACHMENT 5

THE COMPOSITE RATING STIPULATING CRITERIA MATRIX

'SHARIA' COMMERCIAL BANK COMPOSITE RATING STIPULATING CRITERIA MATRIX

FACTOR	RATING				
	1	2	3	4	5
1. Capital 2. Assets Quality 3. Management 4. Earnings 5. Liquidity 6. Sensitivity to market risk	Reflecting that the Bank categorized is very good and is able to overcome the negative influence of economic conditions and financial industry	Reflecting that the Bank categorized is good and is able to overcome the negative influence of economic conditions and financial industry but the bank still has minor weaknesses that can be solved by regular action	Reflecting that the Bank categorized is good enough but there are some weaknesses that may cause the composite rate deteriorate if the bank does not immediately take corrective actions.	Reflecting that the Bank categorized is worse and sensitive to negative influence due to economic and financial industry or bank has some serious financial weaknesses or a combination of several factors, which is not satisfactory, if there are no effective action will potentially make difficulties that endanger the countinuity of the business	Reflecting that the Bank categorized is very sensitive to negative influence due to economic and financial industry and the bank has a difficulties that endanger the countinuity of the business

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ATTACHMENT 6 – WORKING PAPER OF RATING STIPULAITNG

Attachment 6 a	Capital
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Attachment 6 c	Earnings
Attachment 6 d	Liquidity
Attachment 6 e	Sensitivity to Market Risk
Attachment 6 f	Management

WORKING PAPER OF CAPITAL COMPONENT RATING DETERMINATION

NO	COMPONENT	CALCULATION RESULT, ANALYSIS AND CONCLUSION	RATING				
			1	2	3	4	5
1	Sufficiency in meeting the Capital Adequacy Ratio (CAR) (Key ratio)	Calculation Result					
		Analysis and Conclusions					
2	Core capital ability and Allowances for Possible Losses (PPAP) in securing write-off risk (Supporting ratio)	Calculation Result					
		Analysis and Conclusions					
3	Core capital ability to cover losses at the time of liquidation (Supporting ration)	Calculation Result					
		Analysis and Conclusions					
4	CAR trend /growth (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
5	A bank internal capability to add capital (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
6	Intensity of the agency function of a sharia bank (Observed ratio)	Calculation Result					
		Analysis and Conclusions					
7	Core capital compared to a mudharabah fund (Observed ratio)	Calculation Result					
		Analysis and Conclusions					

NO	COMPONENT	CALCULATION RESULT, ANALYSIS AND CONCLUSION	RATING				
			1	2	3	4	5
8	Retained Profit Ratio (Observed ratio)	Calculation Result					
		Analysis and Conclusions					
9	Dividend Pay Out Ratio (Observed ratio)	Calculation Result					
		Analysis and Conclusions					
10	Access to capital sources (external support) (Observed ratio)	Calculation Result					
		Analysis and Conclusions					
11	Financial performance of shareholders to increase the bank capital (Observed ratio)	Calculation Result					
		Analysis and Conclusions					
CONCLUSION OF CAPITAL FACTOR RATING		Analysis and Conclusion by considering judgment element based on materiality and significance of each assessment component.					

CAPITAL FACTOR RATING STIPULATING GUIDELINE:

1. The Bank prepare and collect relevant data and information to make ratio calculation and to assess supporting indicator on each component by referring to the formula calculation / analysis as described in **attachment 1a**.
2. The Bank makes the working paper for calculation and assessment purpose of each component in accordance with the format of working paper capital factor rating stipulating as describe above. The format form has no binding nature so that the Bank can develop format in line with the analysis outcome, including the analysis on the supporting factor.

3. Based on the results of calculation and assessment, the Bank conducted the analysis for each component, and further define the rank of each component in accordance with the capital factor rating stipulating criteria matrix as described in the **attachment 1a**.
4. Based on the above determination the Bank further determine the capital factor rating by referring to the capital factor rating stipulating criteria matrix as described in the **attachment 2a**. The assessment factor rating determination process is carried out after the Bank considers judgment element based on materiality and significance of each assessment component.
5. The data, information, analysis outcome and other supporting data are properly documented to ensure effectivity audit rail process for the both internal as well as external auditor, and to compile the action plan required by Bank Indonesia.

WORKING PAPER – ASSET QUALITY COMPONENT RATING DETERMINATION

NO	COMPONENT	CALCULATION RESULT, ANALYSIS AND CONCLUSION	RATING				
			1	2	3	4	5
1	A bank productive asset quality (KAP) (Key Ratio)	Calculation Result					
		Analysis and Conclusions					
2	Risk of concentrating fund distribution to main debtors (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
3	Fund disbursement quality to main debtors (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
4	Collateral compared to total funds distributed (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
5	A bank ability to handle / to recover write-off assets (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
6	Projection/growth of productive assets quality (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
7	Growth/trend of restructured trouble productive assets (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					

NO	COMPONENT	CALCULATION RESULT, ANALYSIS AND CONCLUSION	RATING				
			1	2	3	4	5
8	The amount of non performing financing (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
9	Fund disbursement quality to main debtors (Observed Ratio)	Calculation Result					
		Analysis and Conclusions					
CONCLUSION OF ASSETS QUALITY FACTOR RATING		Analysis and Conclusion by considering judgment element based on materiality and significance of each assessment component					

ASSET QUALITY FACTOR RATING STIPULATING GUIDELINES :

1. The Bank prepare and collect relevant data and information to make ratio calculation and to assess supporting indicator on each component by referring to the formula calculation / analysis as described in **attachment 1b**.
2. The Bank makes the working paper for calculation and assessment purpose of each component in accordance with the format of working paper assets quality factor rating stipulating as describe above. The format form has no binding nature so that the Bank can develop format in line with the analysis outcome, including the analysis on the supporting factor.
3. Based on the results of calculation and assessment, the Bank conducted the analysis for each component, and further define the rank of each component in accordance with the assets quality factor rating stipulating criteria matrix as described in the **attachment 1b**.
4. Based on the above determination the Bank further determine the assets quality factor rating by referring to the assets quality factor rating stipulating criteria matrix as described in the **attachment 2b**. The assessment factor rating determination process is carried out after the Bank considers judgment element based on materiality and significance of each assessment component.
5. The data, information, analysis outcome and other supporting data are properly documented to ensure effectivity audit rail process for the both internal as well as external auditor, and to compile the action plan required by Bank Indonesia.

WORKING PAPER - EARNINGS COMPONENT RATING DETERMINATION

NO	COMPONENT	CALCULATION RESULT, ANALYSIS AND CONCLUSION	RATING				
			1	2	3	4	5
1	Net Operating Margin / NOM (Key Ratio)	Calculation Result					
		Analysis and Conclusions					
2	Return On Asset (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
3	Return On Equity (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
4	Operating Efficiency Ratio (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
5	Liquid Productive Asset Ratio (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
6	Income diversification (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
7	Net structural operating margin (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
8	Fund placement composition in securities/money market (Observed Ratio)	Calculation Result					
		Analysis and Conclusions					

NO	COMPONENT	CALCULATION RESULT, ANALYSIS AND CONCLUSION	RATING				
			1	2	3	4	5
9	Disparity between the highest and lowest compensation (Observed Ratio)	Calculation Result					
		Analysis and Conclusions					
10	Social benefit (Observed Ratio)	Calculation Result					
		Analysis and Conclusions					
11	Social function (Observed Ratio)	Calculation Result					
		Analysis and Conclusions					
12	The correlation between interest rate level in the market and the return (profit sharing) given by a sharia bank (Observed Ratio)	Calculation Result					
		Analysis and Conclusions					
13	Projection of Net Revenue (Observed Ratio)	Calculation Result					
		Analysis and Conclusions					
14	The amount of investment funds profit sharing (Observed Ratio)	Calculation Result					
		Analysis and Conclusions					
CONCLUSION OF EARNINGS FACTOR RATING		Analysis and Conclusion by considering judgment element based on materiality and significance of each assessment component					

EARNINGS FACTOR RATING STIPULATING GUIDELINES:

1. The Bank prepare and collect relevant data and information to make ratio calculation and to assess supporting indicator on each component by referring to the formula calculation / analysis as described in **attachment 1c**.
2. The Bank makes the working paper for calculation and assessment purpose of each component in accordance with the format of working paper earnings factor rating stipulating as describe above. The format form has no binding nature so that the Bank can develop format in line with the analysis outcome, including the analysis on the supporting factor.
3. Based on the results of calculation and assessment, the Bank conducted the analysis for each component, and further define the rank of each component in accordance with the earnings factor rating stipulating criteria matrix as described in the **attachment 1c**.
4. Based on the above determination the Bank further determine the earnings factor rating by referring to the earnings factor rating stipulating criteria matrix as described in the **attachment 2c**. The assessment factor rating determination process is carried out after the Bank considers judgment element based on materiality and significance of each assessment component.
5. The data, information, analysis outcome and other supporting data are properly documented to ensure effectivity audit rail process for the both internal as well as external auditor, and to compile the action plan required by Bank Indonesia.

WORKING PAPER - LIQUIDITY COMPONENT RATING DETERMINATION

NO	COMPONENT	CALCULATION RESULT, ANALYSIS AND CONCLUSION	RATING				
			1	2	3	4	5
1	The amount of the short term asset compared to the short term liability (Key Ratio)	Calculation Result					
		Analysis and Conclusions					
2	Capability of short term asset, cash, and secondary reserve to cover short term liability (Short Term Mismatch Plus / SMTP) (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
3	Dependency on main deposit fund (RDI) (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
4	Liquidity Aids Funds Source Adequacy Ratio Contingency Plan (RCP) (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					
5	Growth of main deposit fund to the total fund of third parties Main Deposit Ratio Growth (PRDI) (Supporting Ratio)	Calculation Result					
		Analysis and Conclusions					

NO	COMPONENT	CALCULATION RESULT, ANALYSIS AND CONCLUSION	RATING				
			1	2	3	4	5
6	Dependency on Inter Bank Funds; Inter Bank Liabilities (RABP) Ratio (Observed Ratio)	Calculation Result					
		Analysis and Conclusions					
7	The bank capability in obtaining funds from other parties in the case of mismatch (Observed Ratio)	Calculation Result					
		Analysis and Conclusions					
		Calculation Result					
CONCLUSION LIQUIDITY FACTOR RATING		Analysis and Conclusion by considering judgment element based on materiality and significance of each assessment component					

LIQUIDITY FACTOR RATING STIPULATING GUIDELINES

1. The Bank prepare and collect relevant data and information to make ratio calculation and to assess supporting indicator on each component by referring to the formula calculation / analysis as described in **attachment 1d**.
2. The Bank makes the working paper for calculation and assessment purpose of each component in accordance with the format of working paper liquidity factor rating stipulating as describe above. The format form has no binding nature so that the Bank can develop format in line with the analysis outcome, including the analysis on the supporting factor.
3. Based on the results of calculation and assessment, the Bank conducted the analysis for each component, and further define the rank of each component in accordance with the liquidity factor rating stipulating criteria matrix as described in the **attachment 1d**.
4. Based on the above determination the Bank further determine the liquidity factor rating by referring to the liquidity factor rating stipulating criteria matrix as described in the **attachment 2d**. The assessment factor rating determination process is carried out after the Bank considers judgment element based on materiality and significance of each assessment component.
5. The data, information, analysis outcome and other supporting data are properly documented to ensure effectivity audit rail process for the both internal as well as external auditor, and to compile the action plan required by Bank Indonesia.

NO	COMPONENT	CALCULATION RESULT, ANALYSIS AND CONCLUSION	RATING				
			1	2	3	4	5
1	Market risk management application adequacy (Main Ratio)	Calculation Result					
		Analysis and Conclusions					
CONCLUSION SENSITIVITY TO MARKET RISK FACTOR RATING		Analysis and Conclusion by considering judgment element based on materiality and significance of each assessment component					

SENSITIVITY TO MARKET RISK FACTOR RATING STIPULATING GUIDELINES:

1. The Bank prepare and collect relevant data and information to make ratio calculation and to assess supporting indicator on each component by referring to the formula calculation / analysis as described in **attachment 1e**.
2. The Bank makes the working paper for calculation and assessment purpose of each component in accordance with the format of working paper sensitivity to market risk factor rating stipulating as describe above. The format form has no binding nature so that the Bank can develop format in line with the analysis outcome, including the analysis on the supporting factor.
3. Based on the results of calculation and assessment, the Bank conducted the analysis for each component, and further define the rank of each component in accordance with the sensitivity to market risk factor rating stipulating criteria matrix as described in the **attachment 1e**.
4. Based on the above determination the Bank further determine the sensitivity to market risk factor rating by referring to the sensitivity to market risk factor rating stipulating criteria matrix as described in the **attachment 2e**. The assessment factor rating determination process is carried out after the Bank considers judgment element based on materiality and significance of each assessment component.
5. The data, information, analysis outcome and other supporting data are properly documented to ensure effectivity audit rail process for the both internal as well as external auditor, and to compile the action plan required by Bank Indonesia..

MANAGEMENT COMPONENT RATING DETERMINATION WORKING PAPER**A. GENERAL MANAGEMENT**

NO	COVERAGE	ANALYSIS CONCLUSION	RATING				
			A	B	C	D	E
1	Effective governance structure and mechanism						
2	Dealing with conflict of Interest						
3	The Bank Management and the Sharia Monitoring Board (DPS) independence and professionalism						
4	Two ways communication strategy and pattern						

B. RISK MANAGEMENT

NO	COVERAGE	ANALYSIS CONCLUSION	RATING				
			A	B	C	D	E
1	Board of Commissioners and Board of Directors Active Control						
2	Policy, procedure and limit determination adequacy						
3	Identification, measuring, monitoring and risk control and risk management information system process adequacy						
4	Overall internal control system						

C. BANK COMPLIANCE

NO	COVERAGE	ANALYSIS CONCLUSION	RATING				
			A	B	C	D	E
1	The Bank effective compliance function to prudence- BMPK, PDN, and KYC provisions						
2	Effectiveness of the Bank compliance function to sharia principles						
3	The Bank compliance towards commitments to Bank Indonesia or other parties or other regulations						

MANAGEMENT FACTOR TOTAL ASSESSMENT RECAPITULATION

NO	COVERAGE	ANALYSIS CONCLUSION	RATING				
			A	B	C	D	E
1	General Management						
2	Risk Management System						
3	Bank Compliance						
CONCLUSION		Analysis and Conclusion by considering judgment element based on materiality and significance of each assessment component					
CAPITALIZATION							

MANAGEMENT FACTOR RATING DETERMINATION GUIDELINES

1. The Bank prepare and collect relevant data and information to carry out ratio calculation and supporting indicator assessment on each component by referring to the calculation / analysis formula as described in attachment 1f.
2. The Bank compile the working paper for calculation and assessment purpose of each component in accordance with the working paper management factor rating determination format as per the above format example. The format form as described above has no binding nature enabling the Bank to develop in line with the analysis outcome, including the analysis on the supporting factor.
3. Based on the previously mentioned calculation and assessment outcome, the Bank carry out analysis on each component, and further determine the rating of each component by referring to the management component rating determination criteria matrix as described in attachment 1f.
4. Based on the above determination the Bank further determine the management factor rating by referring to the management factor determination criteria matrix as described in the Attachment 4. The assessment factor rating determination process is carried out after the Bank considers judgment element based on materiality and significance of each assessment component.
5. The data, information, analysis outcome and other supporting data are properly documented to ensure audit trail process for the both internal as well as external auditor, and to compile the action plan required by Bank Indonesia.

COMMERCIAL BANK RATING SYSTEM RESULT REPORT

NO	FACTOR	CONCLUSION	RATING				
			1	2	3	4	5
1	CAPITAL						
2	ASSET QUALITY						
3	MANAGEMENT						
4	EARNINGS						
5	LIQUIDITY						
6	SENSITIVITY TO MARKET RISK						
Conclusion For Composite Rating							

Note:

1. Report of Rating System Result must be completed with rating stipulating working paper for each component and assessment factor.
2. The conclusion column is filled in with a short description of the Bank analysis result regarding each assessment factor and composite rating, with explanation concerning weaknesses that need the Bank attention. The column rating will be filled in with numbers based on the results of the Bank stipulation on the factor and composite rating.
3. The size in the report format example has no binding nature, enables the Bank to further develop in line with the need.